

CAS – Utilities Annual Report 2018-19



Contact: MarketsandSystems@cas.org.uk

Tel: 0131 550 1061

www.cas.org.uk
www.citizensadvice.org.uk/scotland

Citizens Advice Scotland
Broadside
2 Powderhall Road
Edinburgh, EH7 4GB

The Scottish Association of Citizens Advice Bureaux –
Citizens Advice Scotland (Scottish Charity Number SC016637)

CAS – Utilities 2018-19 Annual Report

Electronic: ISSN 2398-6220
Hard copy: ISSN 2398-6212



Contents

Executive Summary	3
About us	8
Energy	9
The Extra Help Unit (EHU)	23
Post	31
Water	37
Cross-Sector	45
Appendix: Expenditure 2018-19	50

Executive Summary

Our 2018-19 Annual Report aims to summarise our activity and our impact. The outcomes from our work are often the culmination of many previous years' worth of activity, and the impact from a year's work is often realised over a longer period. Through this report we report on both programmed and responsive work that we have undertaken in 2018-19.

Below we give an overview of some of the key outcomes in 2018-19, where our policy work has had a real impact and will lead to benefits to people in Scotland. Some of these were the result of long-term, sustained, evidence-based campaigning, whereas others were the result of a concentrated effort on a particular issue in 2018-19 alone.

In Energy:

District Heat Regulation

- Following a sustained period of advocacy, where we called for the regulation of District Heating, we saw the Scottish Government announce plans to introduce regulation through a Heat Networks Bill. Through participation on the Short Life Working Group for District Heat we will bring our expertise and evidence from the Citizens Advice Network in Scotland to help protect consumers in both current and future district heat schemes as regulation is designed.

Supporting those experiencing Fuel Poverty

- CAS advocated for fuel poor consumers as the Fuel Poverty Bill went through parliament. We contributed oral and written evidence to the Local Government Committee at Stage 1 of the Bill. We advocated for more targeted, financial support for the fuel poor – recognising the higher living costs in remote, rural areas. We are pleased to see that the amendments we have supported through the Bill process have been passed – such as the rural uplift for Minimum Income Standard in the new fuel poverty definition. We think that our research and advocacy has led to a more accurate definition of fuel poverty that is informed by consumer experience.

- Through 2018-19 we continued to lobby for the need for tailored advice and support for those in fuel poverty. Our research report *Facing Fuel Poverty*¹ recommended that the Scottish Government set up a bespoke advice service for the most vulnerable of energy consumers who have complex support needs. The Scottish Government agreed to fund a pilot service called 'Homecare pilot' in March 2017 in Dumfries & Galloway and Moray East. CAS sat on the advisory group for the project and the Scottish Government has agreed to roll-out this service nationwide through the Home Energy Scotland network from April 2019.

Supporting electric heat users

- Off the back of our report *Hard Wired Problems* we recommended that the Scottish Government offer specialist support for electric heat users that would help address the complexities for restricted meter users. Informed by our report, the Scottish Government funded Home Energy Scotland advice service is developing materials on electric heating to be tested with consumers during 2019; nominated advisors across all the Home Energy Scotland advice centers will also receive tailored training on electric heating.

Introducing Emergency Fuel Credits

- As a result of our engagement alongside Christina McKelvie MSP, with Scottish Power on emergency fuel credits – Scottish Power agreed to trial a new referral mechanism with 11 CABs whereby frontline advisors can refer clients in financial crisis directly to Scottish Power's hardship fund (instead of referrals coming only from food banks). This kicked off in November 2018 and so far 243 referrals have been made to the scheme. This will offer relief to people in crisis situations where they have no money to pay for energy to heat food or heat a room.

1 <https://www.cas..uk/publications/facing-fuel-poverty>

Supporting consumers affected by mis-selling under the Green Deal

- > Energy advisors at the Hamilton and East Ayrshire CABs raised concerns about problems faced by a number of their clients who were ripped off by the rogue company Home Energy and Lifestyle Management Systems (HELMS) under the Green Deal. In November 2018 we published our report *Bad Company*² which highlighted the failings of Green Deal in protecting consumers due to gaps in consumer protection. After raising consumer awareness of the issue through significant media coverage, we engaged with those involved in the redress system to improve the process for consumers, which was causing considerable anxiety for those involved.

Support for customers in vulnerable situations by energy network companies

- > As well as responding to a number of Ofgem consultations on RIIO 2, we have been involved in a process of collective lobbying led by Citizens Advice which called on Ofgem to protect vulnerable consumers in the RIIO 2 programme. As a result of the lobbying, Ofgem recently announced that the RIIO 2 programme will include a £8-16M 'use it or lose it allowance' for gas distribution companies to support consumers in vulnerable situations. This is a great outcome for consumers and CAS will continue to work with network companies in Scotland to design appropriate programmes to support fuel poor and vulnerable consumers.
- > We have continued to work hard with network companies in Scotland to help them increase their support for vulnerable customers. At the same time CABs report that lack of funding for energy advisors (who often support those in vulnerable situations) is an ongoing challenge. As a result of our work, SSEN has agreed to fund 4 part-time equivalent energy advisor roles at CABs (in the SSEN region) from April 2019 to deliver bespoke support to those experiencing fuel poverty. This will improve outcomes for those who are struggling to heat their homes by giving them advice and support with their energy supply, helping them apply for grants, such as the Warm Home Discount, and making sure they have access to grants and loans to make their homes more energy efficient.

In Water:

Water affordability

- > We commissioned technical research to assess the affordability of water and sewerage charges in Scotland, based on equivalised household income, and published an Insight report in October 2018. Subsequent discussions with key stakeholders resulted in the Scottish Government's 'Investing in and paying for your water services from 2021' Consultation proposing to decrease the single status occupancy allowance for charges to provide a greater reduction in charges payment to those on full Council Tax Reduction. Unfortunately the Scottish Government confirmed that this proposal will not be taken forward. However, the Minister has committed to officials continuing to work with CAS and other stakeholders, in the longer term, to identify suitable mechanisms that are more likely to target financial support to those members of society that are least able to afford payments.

Improving debt recovery practices

- > CAS, together with Fife Council and Citizens Advice and Rights Fife, identified debt recovery practices that more effectively support and protect financially vulnerable consumers. We developed a 'toolkit' of good practice for debt recovery of water and sewerage charges that could be rolled out to debt advisors to more effectively support vulnerable consumers. The toolkit will be taken forward by our Financial Health team as part of a wider programme of work and used to improve the way that debt is recovered by local authorities. We will continue to push for more to be done by both Scottish Water and local authorities to improve communications to those on full Council Tax Reduction and increase awareness of their ongoing liability to pay, to ensure that consumers don't accumulate debt that can be the cause of stress and anxiety.

2 <https://www.cas.org.uk/publications/bad-company>

Developing leading community engagement practice

- > Working jointly with the Customer Forum and Scottish Water, CAS led on research to evaluate models and frameworks for community engagement based on four national and international community engagement programmes. Research included insight from both the lead organisations and the communities, to identify the key components that made community engagement successful, and which organisations should aim to place at the heart of comprehensive and strategic community engagement policy and practice. CAS will soon publish a policy insight report to disseminate the findings with key stakeholders.

Representing consumers in Scottish Water's business planning

- > During 2018-19, CAS has worked to represent consumers within an intense period of information sharing and discussion to co-design, with industry stakeholders, the prioritisation and financial framework for programmes to be delivered during 2021-27. This work has included ongoing participation in the live review of the SR21 regulatory process by the Organisation for Economic Co-operation and Development (OECD). Additionally, CAS has continued to support the work of the Customer Forum and has administered the SR21 Research Coordination Group, comprising of key stakeholders, which coordinates consumer research that will inform Scottish Water's Business Plan for 2021-27.

Improving bathing water quality in Scotland

- > We have continued to work with the Scottish Government, SEPA, local authorities and members of community groups to support initiatives to help improve bathing water quality, and protect the environment from sewerage waste caused by inappropriate household waste disposal, such as fats, oil and grease, and wet wipes, using the public wastewater system. Work has included supporting a Keep Scotland Beautiful campaign in East Lothian to encourage members of the public to better understand how improved waste disposal practices can help protect areas of natural beauty, and the economic interests of local communities that depend upon bathing waters.

Protecting micro-business's in the non-domestic water market

- > Following our research carried out in 2017-18 into the emergence of alternative service provision models within the non-domestic market and the need to protect smaller consumers, particularly micro-businesses, we have continued to work with the Water Industry Commission for Scotland on various changes to the Market Code to ensure consumers get a fair deal from their service provider and are protected from harmful practices. Our work with WICS has resulted in the introduction of new measures to increase the level of consumer protection around pre-payments. This is particularly important for smaller organisations, which have low bargaining powers and are more vulnerable to financial risk.



In Post:

Improving outcomes for those affected by parcel delivery surcharges

- > Following the publication of our research on parcel delivery surcharges in 2017/18, our work on this issue has been focused on finding solutions to improve the situation for affected consumers. Working as part of the Consumer Protection Partnership project on parcel surcharging, we've been involved in coordinated action to improve the transparency and accuracy of delivery information and explore solutions to address the level and fairness of these surcharges. We've also been working closely with Scottish Government on the development and implementation of their Fairer Deliveries for All Action Plan. While good progress has been made on this issue, our advocacy work will continue into 2019/20 as we work with governments, operators, retailers, online marketplaces and other key stakeholders to agree and implement solutions.

Postal complaints

- > We conducted research to improve our understanding of the complaints landscape in the postal sector. We will shortly be publishing the findings from this research and in 2019/20 we will work in partnership with Citizens Advice England & Wales and the Consumer Council for Northern Ireland on measures that will improve the complaints experience for consumers.

Advocating for consumers who use Post Office Outreach services

- > We are conducting additional research on Post Office Outreach services which complements our previous consumer research and will help to improve our understanding of how these services are delivered on the ground. These 'pop up' post offices now account for 16% of the Post Office network in Scotland and provide an essential service to many communities where a traditional, bricks and mortar Post Office is no longer commercially viable. We will publish this research in 2019/20 and work with Post Office Ltd and Sub Postmasters to ensure these services remain sustainable and are meeting the needs of consumers.

Representing Scottish consumers in the wider policy environment

- > We engaged with and responded to external policy developments in the postal sector. This included responding to Ofcom's review of the Second Class Safeguard Caps and sharing our insight on the needs of Scottish Consumers with researchers acting on behalf of the European Commission, who will shortly be undertaking a review of the Postal Services Directive. We submitted written evidence to a number of parliamentary committee inquiries and raised awareness of postal consumer issues in local and national media throughout the year. We also monitored Business As Usual changes to the Post Office network across Scotland.



X-Sector

Representing consumers in climate change policy

- > Through a number of channels we have been advocating for consumers as climate change legislation is passed through the Scottish Parliament. We provided written and oral evidence in November 2018, to the Environment, Climate Change and Land Reform Committee on stage one of the Climate Change Bill to advocate for consumers and ensure the appropriate support is there for people in vulnerable circumstances. The Scottish Government have also established a Just Transition Commission to ensure that the low carbon economy is delivered in a fair way – something which CAS supported.

Consumer Principles

- > Off the back of our continued work on Consumer Principles, we have worked with Scottish Water to develop their own consumer principles and we will continue to engage with them as they implement this framework.

Simpler registration for consumers in vulnerable situations

- > We concluded our research on simpler registration for consumers in vulnerable situations. We published our report Making it Easy which reviewed the registration process for

consumers in vulnerable situations and made a number of recommendations which have been taken forward by the Commission for Customers in Vulnerable Circumstances. In their Energy Consumer Action Plan, the Scottish Government has committed to improve awareness of Priority Service Registers, informed by our research.

Understanding consumer attitudes in Scotland

- > We completed the third wave of our utilities consumer tracker survey allowing trends over time to be identified. The survey was undertaken with a sample size of 3000 Scottish consumers and aims to understand the experience of and attitudes to, the regulated markets over time. Some findings from the 2018-19 survey included:
 - The proportion of respondents who would recommend their energy supplier to others increased significantly between 2017 and 2018 and has remained at a similar level in 2019.
 - The proportion of respondents who have switched in the last 12 months rose from 21% in 2017 to 25% in 2018 and 26% in 2019.
 - Use of the post office has remained high, with only 2% of respondents in 2019 saying they don't use the Post Office at all.
 - Respondents are more likely now than in 2017 to support an increase in charges to fund improvements to the water and sewerage network.



About us

The Citizens Advice network in Scotland seeks to improve outcomes for consumers. The network includes the Extra Help Unit, local Citizens Advice Bureaux (CAB) and CAS – the National Association of Citizens Advice Bureaux in Scotland.

The utilities team at CAS works closely with each of these partners to advocate for consumers. We use independent research and evidence gathering, including from the wide Citizens Advice Network in Scotland to put consumers at the heart of policy and regulation in the energy, post and water sectors. We work with government, regulators and business, designing policy and practice around the needs and aspirations of those that use or are impacted by services. We work hard to go beyond making recommendations to ensure our work leads to the delivery of real benefits to the people of Scotland.

The team advocates for affordable and equitable delivery of essential services to consumers. Availability and affordability of water, heat and light can be the difference between a meagre quality of life for someone living in 2019, and a fulfilled one, and postal issues dictate how we build relationships with each other, do business with each other and communicate with each other.

We continue to work under our seven consumer principles – access, choice, fairness, information, redress, representation and safety – to assess markets and identify current and potential consumer detriment. We work with, and use the unique evidence base and data from the rest of the Scottish Citizens Advice network to help us ensure that we have a real understanding of the issues people in Scotland are facing on the ground. This is particularly important in areas such as energy, where although Ofgem has introduced price caps, we continue to see too many people struggling to heat their homes and navigate the ever more complex energy system.

We have an equally important role in representing people who have not contacted the Citizens Advice Network in Scotland and for consumers of the future, through conducting independent and representative consumer research. As sector experts, we give people a voice within complex policy areas, such as energy and water charging structures, where decisions are being made to address significant societal and environmental challenges.

We continue to prioritise policy issues that have a uniquely Scottish focus or have a particularly high impact on people living in Scotland. This is especially important in the energy and post sectors where certain policy decisions are made at a GB or UK level. In energy and post, we work closely with our sister organisation Citizens Advice England and Wales to ensure that there is a strong Scottish consumer representation across GB. As noted in later sections of this report we continue to work collaboratively with the Consumer Council of Northern Ireland, the Consumer Council for Water and the Competition and Markets Authority to identify common policy issues and ensure that our approach is as joined up as possible.

As the consumer advocacy body, for energy, post and water we have unique insight into issues that are common across different sectors. During 2018 – 19 we encouraged sectors to engage more effectively with one another to address cross cutting themes such as rurality, vulnerability and affordability, which continue to affect consumers in Scotland. We have used our understanding of future customer service challenges to inform broader issues such as climate change and infrastructure development. For example we responded to the National Infrastructure Commission for Scotland's call for evidence³, where we explored emerging themes across sectors such as the need to inform and engage with communities earlier to allow them to influence investment outcomes that will impact on them.

This report summarises our achievements for consumers during 2018-19. It includes planned work for 2018-19, how we have responded to issues that emerged during the year, and achievements that are the culmination of previous years' work on behalf of service users. At the end of this report there is an appendix listing our expenditure in 2018-19.

³ <https://www.cas.org.uk/publications/cas-submission-infrastructure-commission-scotland>



Energy

A recent poll undertaken by YouGov for CAS showed that one in 10 Scottish workers had run out of money before pay day and weren't able to pay an energy bill at least once in the last year.

Our latest annual figures found that the Citizens Advice network in Scotland helped clients with over 40,000 energy issues and secured over £1.6 million in financial gain for these consumers⁴. This continues to show that people need advice and support whilst navigating the ever more complex energy market and that the market is not working for all people in Scotland.

In 2018-19 the energy policy team at CAS has used a range of methods to advocate for consumers. In June 2018 we held a conference entitled 'Resolving energy consumers problems' with over a hundred delegates from industry, government and other organisations which showcased some of the issues

being faced by Scottish consumers across the Citizens Advice Bureaux and the Extra Help Unit. In the event we heard from a number of CAB energy advisors which set the context for discussions around the solutions to the issues people face on a daily basis and was a forum for CAB advisors to have broader discussions with key stakeholders.

CAS has used independent research and evidence from the Citizens Advice Network to publish 7 policy reports in 2018-19. We have used the recommendations and findings from these reports to advocate for consumers in bilateral meetings, conference presentations and many consultation responses.

In the following section we give a summary of our 2018-19 work.

⁴ <https://www.cas.org.uk/publications/energy-advice-detail-energy-issues-brought-citizens-advice-network-scotland-2017-18>

Consumer experience of the energy market

Evidence we see through the Citizens Advice Network in Scotland continues to show that people are struggling to navigate the complex energy market for a number of reasons. Our Energy: Advice in Detail Report⁵ collates quantitative data on the issues that people have been given advice and support on through the network. In 2017-18 the Citizens Advice network in Scotland helped over 41,000 clients with issues related to energy. The type of issues consumers were helped with show similar trends to previous years with the top 5 most common issues being related to: billing and metering; the Warm Home Discount; difficulty making payments; debt and disconnections; switching and transfers.

We have used this unique evidence base and the perspective it gives us to advocate for consumers at a number of important key events this year. In June 2018 the Ofgem Board visited Citizens Advice Scotland in Edinburgh along with a number of Ofgem Directors and the Chief Executive, Dermot Nolan. Guests were taken on a visit to the local Citizens Advice Bureaux in Edinburgh where they met CAB staff to better understand the type of support people are being given and the types of issues they are facing. The group was also taken to a client's home where they saw how low incomes and a reliance on expensive electric heating can lead to a high level of detriment. Dermot Nolan has since quoted the experience as having a significant influence on him and the Board, and has credited the visit as the point where he realised first-hand what some consumers are truly faced with in the current energy market.

We also used our wide evidence base to inform Ofgem, through the formal consultation process, on a number of issues facing energy consumers. While Ofgem's Vulnerable Consumers in the Energy market report⁶ stated that there were no forced disconnections for the first time in Scotland 2018, Ofgem became aware that 'self disconnection' may be a particularly big issue in Scotland. Using evidence from Citizens Advice Bureaux and the Extra Help Unit we responded to Ofgem's consultation on this issue and highlighted that self-disconnecting from supply for pre-payment meter customers is something that we see commonly through the network.

As well as providing evidence of the experience of those struggling to pay for their energy on a day to day basis we continued to work hard on the ground to come up with solutions to help people. As a result of our engagement alongside Christina McKelvie MSP, with Scottish Power on emergency fuel credits – Scottish Power agreed to trial a new referral mechanism with 11 CABs whereby frontline advisors can refer clients in financial crisis directly to Scottish Power's hardship fund (instead of referrals coming only from food banks). This kicked off in November 2018 and so far 243 referrals have been made to the scheme. Scottish Power offers up to 3 vouchers per customer per year at £49 per voucher. This is a great example of where CABs can add value by linking those in most need, not only with cash vouchers to help them keep the heating on, but also to more holistic advice on energy saving tips, income maximisation, switching, etc to avoid being trapped in fuel poverty.

Our research report *Hard wired problems*⁷ (Oct 2018) identified that those who rely on electric heating often experience higher heating costs, have lower incomes and that the complexity of the electricity market (particularly for restricted meter users) leads to disengagement with both the energy market and support services. Off the back of our report *Hard Wired Problems*⁷ we recommended that the Scottish Government offer specialist support for electric heat users that would help address the complexities for restricted meter users. Informed by our report, the Scottish Government funded Home Energy Scotland advice service is developing materials on electric heating to be tested with consumers during 2019; nominated advisors across all the Home Energy Scotland advice centers will also receive tailored training on electric heating. We have worked closely with EST to advise them of the specific consumer issues as they developed the new service. This service will help those consumers with restricted meters address to switch supplier and save money – a particularly Scottish issue and pertinent when 52% of electric heat users in Scotland are in fuel poverty⁸. Additionally, we collated evidence of specific consumer issues in relation to electric heating which suggested that the CMA remedy for restricted meter users is not working effectively for consumers; some consumers are struggling to switch to a single-rate tariff. We presented evidence to Ofgem calling for them to investigate supplier's compliance with the CMA remedy.

We continue to lobby Ofgem and industry to

5 https://www.cas.org.uk/system/files/publications/cas_energy_advice_detail_2017_18_published.pdf

6 https://www.ofgem.gov.uk/system/files/docs/2018/11/vulnerability_report_2018.pdf

7 <https://www.cas.org.uk/publications/hard-wired-problems>

8 <https://www2.gov.scot/Topics/Statistics/SHCS>

improve outcomes for electric heat users. For example at a recent bi-lateral with Smart Energy GB we questioned how the smart meter roll out is working for electric heat users with restricted meters who often face challenges when switching due to meter issues.

CAS has also continued to engage with the Scottish Government over their proposals for a Public Energy Company to be established. We provided oral and written evidence in the Economy, Energy and Fair Work Committee's report on a Publicly Owned Energy Company in September and October 2018. Our evidence was cited extensively in this report. Jackie Baillie MSP cited our evidence on the number of energy schemes/policies at the following meeting Economy, Energy and Fair Work meeting (October 2018).

Over 2018/19 CAS sat on⁹ Scottish Government's Consumer Expert Advisory Group which sought to devise an action plan as part of the wider Energy Strategy. Alongside the other members of this group, we helped to develop a number of collective recommendations that have informed the Scottish Government's Energy Consumer Action Plan (published in May 2019).

Fuel Poverty and Energy Efficiency

In 2018-19 CAS continued to advocate for further support and recognition of those in fuel poverty. This was an important year for Scottish fuel poverty policy as the Fuel Poverty Bill went through Parliament (and was passed on 11 June 2019). We contributed oral and written evidence to the Local Government Committee at Stage 1 of the Bill (November 2018) and undertook face-to-face lobbying of MSPs. We have used our research Speaking Up¹⁰ to highlight the support needs' of the fuel poor. We lobbied hard for more targeted, financial support for the fuel poor – recognising the higher living costs in remote, rural areas. We are pleased to see that the amendments we have supported through the Bill process have been passed – such as the rural uplift for Minimum Income Standard in the new fuel poverty definition. We think that our research and lobbying has led to a more accurate definition of fuel poverty that is informed by consumer experience.

We also sit on the Fuel Poverty Advisory Panel which is in place to scrutinise the Scottish Government's progress against the Fuel Poverty target and wider Strategy. CAS responded to the Scottish Government's consultation on the Fuel Poverty Strategy for Scotland¹¹ and we will continue to engage with the Scottish Government to shape how the Fuel Poverty Strategy is designed and implemented.

Through 2018-19 we continued to lobby for the need for tailored advice and support for those in fuel poverty¹². The Scottish Government HES Homecare pilot was developed in response to the 2016 report of the Scottish Rural Fuel Poverty Task Force, which recommended that an additional form of support should be provided to help those living in rural areas out of fuel poverty. The suggestion was that this should be based on intensive, client-centred and in-home support and tailored measures. CAS was a member of the Taskforce, and helped to inform the recommendations developed by the group. The 'Homecare pilot' commenced in March 2017 in Dumfries & Galloway and Moray East. A small number of householders with a health related vulnerability were offered up to 10 face-to-face visits from an "Energy Carer" to assist with energy advice, and the installation of insulation and heating systems. The two energy carer staff members acted as case workers providing individually tailored solutions to clients with the aim of delivering affordable warmth. CAS sat on the advisory group for the project and the Scottish Government has recently agreed to roll-out this service nationwide through the Home Energy Scotland network. This is a very positive outcome for consumers and means that the most vulnerable in society will be provided with much needed additional support to help them live in affordable warmth.

CAS continues to influence policy debates around the Scottish Government's flagship Energy Efficient Scotland (EES) programme which was launched May 2018 in trial areas, and due to be rolled out nationally in late 2019. We have used findings from our research projects undertaken in 2017-18 to influence the development of the programme and to respond to a number of consultations since the programme was launched. In July 2018 we responded to the consultation on the EES routemap in which we welcomed that the route-map had broadly adopted several of our recommendations such as: to take the best features of Scotland's

⁹ <https://www.gov.scot/publications/energy-consumer-action-plan-putting-consumers-heart-scotlands-energy-transition/>

¹⁰ <https://www.cas.org.uk/publications/speaking-understanding-fuel-poverty-support-needs>

¹¹ <https://www.cas.org.uk/publications/scottish-government-consultation-fuel-poverty-strategy-scotland>

¹² <https://www.cas.org.uk/publications/facing-fuel-poverty>

existing programmes, to learn lessons from past schemes that have fallen short; new energy efficiency targets for Scotland's homes to provide more certainty; new regulatory standards in the rental sector to protect tenants; removing energy efficiency as a driver of fuel poverty; and regulatory programmes and support to prioritise those who are fuel poor and more vulnerable.

As well as responding to EES consultations we briefed MSPs ahead of a parliamentary debate on Energy Efficient Scotland and received significant coverage. The Conservatives backed several of our proposals, including for a prompt Council Tax rebate scheme. The need for more effective incentives, and consumer buy-in, was also picked up by other MSPs including the Green Party. Labour and Liberal Democrats joined the calls for our 'one-stop shop' approach and drew significantly on our briefing. MSPs noted our view that significantly higher levels of funding, matching the designation of energy efficiency as a 'National Infrastructure Priority', are likely to be needed to meet the Scottish Government's future targets and ambitions. CAS also advocated for consumers by sitting on two of the Scottish Government's Short Life Working Groups for EES; on quality assurance and consumer protection and on EPC assessments over 2018/19. As such, alongside the other members of the Working Group, we have helped to inform recommendations proposed by the group on quality and consumer protection – which were published in March 2019. We were able to highlight the lessons learned from where the Green Deal went wrong, using evidence from our report *Bad Company*¹³, to ensure that these pitfalls are avoided under EES.

Energy networks, heat and climate change

CAS' report *Different Rules for Different Fuels*¹⁴ (May 2017) called for the regulation of district heating in Scotland under a licensing scheme, setting out the fundamental consumer protections that this should include. Our report helped to prompt a CMA market investigation (commencing in December 2017) into the need for regulation of heat networks; its recommendations on consumer protection closely reflected ours¹⁵. Both UK and Scottish Governments

have since announced their support for regulation which is good news for consumers. Following a consultation process that CAS engaged with closely, in November 2018 Minister Paul Wheelhouse announced that the Scottish Government would introduce regulation and licensing of district heating. A Bill is expected to be brought in by 2021. The introduction of this Bill is a very positive outcome for consumers as it will mean that users of district heating schemes be covered by the protections they deserve. CAS has also been invited to attend the Scottish Government's Short Life Working Group on District Heat and will be helping to shape the regulation by sitting on the 'Consumer Protection' sub group.

We've also been tracking the concerning issue of disconnections at the Wynford Estate in Glasgow – which were first reported by the Extra Help Unit in Glasgow and we've been advocating for their consumer rights. CAS has engaged with the local CAB, SSE Enterprise, the local housing association and the Heat Trust on numerous occasions to advocate for over a hundred consumers who had been disconnected from their heating supply ahead of the winter heating period. As a result of collective lobbying SSE Enterprise agreed to establish a £10,000 fund to help consumers with the £273 re-connection fee. CAS raised awareness of the issue in multiple media articles and is disseminating lessons from the scheme in various consultations and meetings.

In 2018-19 CAS has continued to advocate for consumers who are not connected to the gas grid. Following a suggestion from a Citizens Advice Bureau (CAB) to investigate high energy prices in rural Scotland and the Scottish Government's Rural Fuel Poverty Taskforce recommendation of support for oil clubs in 2016, Citizens Advice Scotland wanted a better understanding of the barriers and benefits of such a model – which presents one of the few options for decreasing costs for consumers reliant on heating oil. In October 2018 we published *Clubbing Together*¹⁶ a report which assessed the feasibility of using heating oil buying clubs in the North of Scotland. The report got exclusive coverage in national newspapers, including quotes from oil club coordinator who was involved in the research and was quote of the week in Holyrood Magazine local government newsletter. To communicate the benefits of oil buying clubs CAS also led a webinar in partnership with Local Energy Scotland, including a presentation from an existing oil club. Recommendations were disseminated to the Scottish Government at a dedicated meeting.

13 https://www.cas.org.uk/system/files/publications/bad_company_citizens_advice_scotland.pdf

14 https://www.cas.org.uk/system/files/publications/different_rules_for_different_fuels_-_cfu_insight_report.pdf

15 <https://www.gov.uk/cma-cases/heat-networks-market-study>

16 <https://www.cas.org.uk/publications/clubbing-together>

Since publication of our report the Scottish Government, in their recently published Consumer Action Plan¹⁷, has committed to further explore the viability of heating oil buying clubs.

Our *Clubbing Together*¹⁸ report also called on the Scottish Government to develop a strategy for off-gas decarbonisation and we echoed this call at the Scottish Energy Action Board with the First Minister. We were pleased to see this come to fruition in March 2019, when the Scottish Government launched a call for evidence on low carbon heating which paves the way for an Off-gas Decarbonisation Strategy¹⁹. This Strategy will help consumers who rely on expensive and volatile heating options such as oil and LPG to move to lower cost and lower carbon heating options. Over 2018/19 CAS has also been a member of the Scottish Government's short-life working group on Local Energy Systems. This aims to devise a policy statement which will make it clear how communities can engage with, and benefit from the smart transformation of the energy system. We have called for the need to recognise multitude of consumer groups and their respective needs, and importantly to ensure that less engaged, vulnerable and low income consumers are not left behind in the energy transition.

In 2018-19 CAS continued to represent the consumer voice in the development of the energy networks – a sector which is going through substantial transition due to the need to meet decarbonisation targets. CAS has been extensively engaged and advocates for consumers on stakeholder advisory panels for all network companies in Scotland. Under Ofgem's programme of enhanced engagement CAS is a member of SGNs Customer Engagement Group²⁰ and has presented consumer priorities to Transmission companies User Groups' in Scotland as they develop their business plans for the next phase of the regulatory price control 2021-26. CAS has responded to multiple Ofgem consultations on: the RIIO 2 process and

Targeted Charging Review; the ENA's Future Worlds consultation; and the Royal Society of Edinburgh's Energy Inquiry to ensure the consumer voice is heard in what can be an industry dominated policy landscape.

As well as advocating for consumers on an ongoing basis CAS has been involved in a process of collective lobbying which called on Ofgem to protect vulnerable consumers in the RIIO 2 programme. In December 2018 we authored an essay²¹ which was part of a collection which was sent to the Ofgem board. The essays and follow up roundtable event, which CAS presented at, have had wide coverage and have led to a number of positive outcomes for consumers. For example Ofgem recently announced that the RIIO 2 programme will include a £8-16M 'use it or lose it allowance' for gas distribution companies to support consumers in vulnerable situations. This is a great outcome for consumers and CAS will continue to work with network companies in Scotland to design appropriate programmes to support fuel poor and vulnerable consumers.

Off the back of our report *Pylons Pipes and People*²² which was published in August 2018, CAS has engaged with Scottish network companies to help shape their support programmes for customers in Scotland. SSEN, the electricity distribution company in the north of Scotland, agreed to fund a £140,000 local energy advisor programme which will see 4 new CAB energy advisors deliver holistic and bespoke advice to fuel poor households. Based on a recommendation in our report, SSEN has also launched a programme of work with the Centre for Sustainable Energy to explore what the principle of 'no one gets left behind in the energy transition' means in practice.

17 <https://www.gov.scot/binaries/content/documents/govscot/publications/publication/2019/05/energy-consumer-action-plan-putting-consumers-heart-scotlands-energy-transition/documents/energy-consumer-action-plan-putting-consumers-heart-scotlands-energy-transition/energy-consumer-action-plan-putting-consumers-heart-scotlands-energy-transition/govscot%3Adocument/energy-consumer-action-plan-putting-consumers-heart-scotlands-energy-transition.pdf>

18 <https://www.cas.org.uk/publications/clubbing-together>

19 <https://www.gov.scot/publications/energy-efficient-scotland-future-low-carbon-heat-gas-buildings-call-evidence/>

20 <https://www.sgn.co.uk/Responsibility/Customer-Engagement-Group/>

21 <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/consumer-coalition-sets-out-riio-2-vulnerability-proposals/>

22 <https://www.cas.org.uk/publications/pylons-pipes-and-people>

Programmed work

E1: Getting home energy efficiency right for Scotland

The Issue

As noted in our Work Plan for 2018-19²³ an essential aspect of the new Energy Efficient Scotland framework will be consumer protection and redress. While CAS set out to research what lessons could be learned from the experience consumers have had of previous installation schemes such as the Green Deal to inform policy development, it quickly became apparent that there was an urgent need for consumer advocacy.

Energy Advisors at the Hamilton and East Ayrshire CABs raised concerning problems faced by a number of their clients who were ripped off by the rogue company Home Energy and Lifestyle Management Systems (HELMS) under the Green Deal. 72% of HELMS customers were in Scotland (3,054 out of 4,226) and as of November 2018 CAS was aware of 1,125 recorded complaints raised²⁴. As multiple financing options were often employed by HELMS and customers were regularly told installations would be free, they were often left unsure of how much they owed. Our investigations showed that debt levels were high with the average HELMS loan size being £4,091. We found that the largest HELMS plan was £11,766.

We worked together with energy advisors from local CAB to investigate the issue further with Trading Standard Scotland, the Green Deal Finance Company and Ombudsman. We sought a legal opinion to find out if/where HELMS was in contradiction of the law, and we lobbied Ofgem, the GDFC and Secretary of State to take action and get compensation for HELMS customers.

Research and recommendations

In November 2018 we published our report *Bad Company*²⁵ and East Ayrshire CAB published its own report 'Deal or No Deal'²⁶. Our report highlighted the failings of Green Deal in protecting consumers due to gaps in consumer protection. The legal opinion also highlighted a number of areas where HELMS had likely breached regulations. The report used evidence from the local CABs which showed that HELMS clients had been subject to:

- > pressure selling
- > misleading information
- > unexpected costs
- > the vulnerability of some customers
- > mis-representation
- > installation issues
- > the transfer of the Feed-in Tariff and multiple financial tools
- > failure to get Building Warrants and appropriate permission from homeowners
- > long contracts and issues with redress

The report made a number of recommendations to the UK Government (who hold ultimate responsibility to provide remedies and redress for consumers), to urgently address four points:

1. Instruct an independent body to contact all HELMS customers to inform them of potential issues and to provide guidance to consumers who feel like they have been affected on how to complain. Independently review all complaints to determine just how widespread the practice of mis-selling was.
2. If this review confirms widespread breaches of the rules of the scheme, then we call on the UK Government to set up a dedicated redress scheme for HELMS customers to fast track complaints and provide satisfactory compensation for those affected.
3. We also believe a solution is required for consumers who were mis-sold Feed-in Tariffs so any lost payments are refunded and affected householders are the registered beneficiaries for future payments.
4. Finally, we request bespoke solutions for specific issues, including a fund to repair faulty goods and a means to provide Building Warrants for those who require them.

²³ https://www.cas.org.uk/system/files/publications/2018-03-05_cfu_2018-19_work_plan_final.pdf

²⁴ Case breakdown (circa.): CAB – 100; Home Energy Scotland – 350; Green Deal Finance Company – 449; BEIS – 79; and a number of MSPs and MPs received complaints.

²⁵ <https://www.cas.org.uk/publications/bad-company>

²⁶ <https://www.cas.org.uk/publications/bad-company>

Programmed work

Progress and next steps

CAS heightened consumer awareness of the issue through extensive radio, print, and TV coverage following the publication of the Bad Company report. The number of views of our advice pages increased by 442% following media coverage.

To increase pressure on the UK Government to improve the redress process for those affected, we organised a letter to be sent to Claire Perry (Minister of State at the Department for Business, Energy and Industrial Strategy), signed by MSPs and members of the group²⁷, endorsing the recommendations of the Bad Company Report. Following publication of our report CAS attended a meeting with Claire Perry along with Gavin Newlands MP, the Green Deal Finance Company and Trading Standards Scotland to ask for action to be taken to improve outcomes for HELMS customers.

The minister committed to look at the provision of support for those going through the complaints handling process and to liaise with the Green Deal Finance Company to speed up the resolution of cases – something which CAB advisors have repeatedly raised as an issue.

CAS continues to engage with BEIS over the handling of Green Deal complaints. As well as a commitment to further resource the team who handle complaints, BEIS have made a number of changes to the complaints process off the back of CAS advice (again with evidence gathered through local CAB) which will improve the process for consumers and reduce levels of anxiety.

We have also used insight from our engagement with the UK Government to update our advice content to ensure that consumers seeking redress and CAB advisors helping consumers through the process receive advice that is up to date, in what has been a quickly changing environment.

E2: Energy efficiency support in the private rented sector

The Issue

At the time of writing the 2018-19 workplan announcements on new minimum energy efficiency standards in the private rented sector were expected in 2018, alongside a number of regulatory changes for letting agents. While these were expected in 2018 the publication of proposed regulations was delayed. This meant that we had to realign our E2 project, which sought to understand the best ways of advising landlords and tenants of the regulations, to recognise the change in legislative timetabling.

What we did

We responded to the consultation on regulations for the private rented sector (March 2019) highlighting the importance of avoiding rent increases and decanting tenants' due to retrofit works. To contribute evidence we undertook an omnibus survey in March 2019 to understand tenants' views of regulation. This found that 81% of private renters support the idea of regulation, and that energy efficiency was important to 84% of private renters.

Next Steps

Our forthcoming research on EPCs in 2019/20 should help to inform and support the development of guidance for landlords and tenants. This will explore the perception of EPCs and how the information contained within it can best be presented to encourage landlords to take action improve the energy efficiency of their housing stock.

²⁷ CAS is secretariat for the Cross Party Group on Consumer Protection for Home Energy Efficiency and Renewable Energy – of which a number of CAB representatives attend.

Programmed work

E3: Exploring how energy prices could be reduced in Scotland

The issue

In 2017-18 the Citizens Advice Network in Scotland helped over 40,000 clients with issues related to energy and affordability was a key issue²⁸. We also know that the lack of fuel affordability is one of the key drivers²⁹ of fuel poverty in Scotland, which in 2017 stood at 24.9% of households³⁰. For this reason CAS set out this year to explore how energy prices could be reduced in Scotland.

In 2018 a number of interventions have been made in the energy market to try and reduce prices, such as Ofgem's Default tariff cap³¹ and the pre-payment price cap. However the establishment of a Public Energy Company (PEC) was a Scottish Government proposal that specifically aimed to tackle fuel poverty³².

While CAS set out to analyse how energy prices could be reduced through a PEC, it became clear that under new proposals set out by Paul Wheelhouse, Minister for Energy, Connectivity and the Islands, the first stage of the PEC would be to work in partnership with local authorities to deliver the public energy company ambition. In his letter to the Economy Jobs and Fair Work Committee the Minister stated:

“...the focus of the first phase, to be delivered by the end of this session of the Scottish Parliament, will be to explore ways in which Local Authorities, individually or collectively, may be able to put in place white label arrangements or other arrangements with one or more existing energy companies to supply electricity and gas at a fair price. This would provide valuable impetus to our shared ambition to tackle fuel poverty.”

For this reason and after stakeholder feedback we decided to undertake an internal research project, using our expertise and the wealth of data from the CAB network, to propose a number of consumer priorities that we think are essential for the first stage of the PEC to work well for consumers. We also commissioned a short independent review to better understand consumer engagement in the energy market in Scotland – as we know that lack of engagement is a key issue that leads to consumers paying higher prices for their energy than they have to.

Research and recommendations

Our report will be published in summer 2019 and suggests five main areas which should be prioritised to lead to the best outcomes for consumers:

1. Fair pricing and debt management
2. Ease of contact
3. Clear and accurate billing
4. Access to Warm Home Discount
5. Support for vulnerable customers

The report also sets out suppliers' obligations under their licence conditions and how our clients' experiences compare to these expectations. Given the context of PEC, the report also assesses the white-label model proposed by the Scottish Government, including insights on prices trends in recent years to understand whether other white-label suppliers have indeed managed to reduce prices. Finally, it includes insights from the independent research commissioned by CAS on how consumers might be able to engage with a PEC, along with insights from our latest Consumer Tracker survey concerning consumer's trust in a white-label supplier. Overall, this will inform CAS' response to the forthcoming PEC consultation as well as hopefully influence the design of the PEC.

Progress and next steps

We will widely disseminate this work to ensure that it not only influences the development of the PEC but also so that the insight can be shared with existing suppliers and any new entrants to the energy market. Through the Citizens Advice Network in Scotland we see the detrimental impact on people when for a variety of reasons the market does not work for people. With an ever changing market we want to ensure that any new market intervention leads to improved outcomes for consumers and especially those who are in fuel poverty.

28 https://www.cas.org.uk/system/files/publications/cas_energy_advice_detail_2017_18_published.pdf

29 4 drivers of fuel poverty: household incomes; energy prices; energy efficiency and how energy is used in the home.

30 <https://www2.gov.scot/Topics/Statistics/SHCS>

31 <https://www.ofgem.gov.uk/gas/retail-market/market-review-and-reform/default-tariff-cap>

32 <https://www.gov.scot/publications/scottish-energy-strategy-future-energy-scotland-9781788515276/>

Programmed work

E4: Pylons and wires: ensuring that electricity networks are a good deal for consumers

The Issue

The energy networks in Scotland are beginning a period of transition to help facilitate emission reductions across the energy system. We wanted to understand how consumers think they are currently served by energy networks in relation to reliability of supply and customer service, and how they want to see energy networks and the services they facilitate develop in the future (e.g use of the network for charging electric vehicles). Inherent in this are questions about consumer's level of awareness of the existence and activities of energy networks. In CAS' role as a consumer advocate we attend energy network company and regulator stakeholder panels and working groups, and we respond to network related consultations on behalf of consumers. Through this process we identified that there is a need for further evidence to better understand the current needs and attitudes of consumers in Scotland.

Research and Recommendations

In November 2018 we commissioned a leading market research organisation to undertake primary consumer research to understand the priorities of Scottish consumers in relation to energy networks. The field work started in January 2019 and involved a qualitative exploration phase, cognitive testing, a nationally representative online and face to face survey with 1,500 consumers and qualitative validation.

The findings from the research focus on consumer attitudes to:

- > Awareness of gas and electricity networks
- > Satisfaction with electricity networks
- > Consumer priorities for future network investment
- > Attitudes to changing energy behaviour and new technology
- > A fairer energy system

As the research commissioned by CAS was based around consumer attitudes no specific policy recommendations were made. CAS will continue to use results of the survey to advocate for consumers and make recommendations based on this evidence.

Progress and next steps

We will continue to use the results of the research to advocate for consumers in consultations with network companies, Government and the energy regulator. We will also publish the research results so they can be used by network companies and other interested parties. We will also use the research findings to inform our position when advocating for consumers on the relevant network company advisory groups – such as the National Grid Electricity System Operator Stakeholder Advisory Group.

As noted in the Scottish Governments Energy Network Vision³³ the Scottish Government plan to host a Network Summit in 2019 and CAS will use the results of the independent research to disseminate the findings. CAS have also been asked to speak at an Electric Vehicle conference in September 2019 where again the results will be disseminated further to industry representatives.

We hope the research results and following advocacy will play a part in helping to ensure that energy networks, the way they are paid for and the way they develop is aligned with what consumers needs and want. We also hope our advocacy will ensure that networks are developed efficiently in the energy system transition so that the impact on consumers' bills is as little as possible.

³³ <https://www.gov.scot/publications/vision-scotlands-electricity-gas-networks-2030/>

Responsive and ongoing work

Theme 1 – Fuel Poverty

The issue

24.9% of households in Scotland are defined to be in Fuel Poverty³⁴. The Fuel Poverty (Target, Definition and Strategy) (Scotland) Bill was ratified by the Scottish Parliament on 11th June 2019. We aimed to influence the draft legislation prior to its introduction and throughout the Parliamentary process to ensure that any new legislation allows support to be targeted to those most in need.

What we did

In June 2018 we published *Speaking Up*, a report which was the culmination of research that we commissioned in 2017 to examine the support needs of those in fuel poverty. The report called for better targeted financial support for the fuel poor and for consumers to be at the heart of the Scottish Government's forthcoming Fuel Poverty Strategy.

One of the report's key recommendations was for the new fuel poverty definition to include an enhanced minimum income standard for remote rural areas, to accurately reflect higher living costs in those areas. We were pleased that the Fuel Poverty Bill was amended to include this proposal at Stage 1.

We advocated for improvements to the Bill through our seat on the Fuel Poverty Advisory Panel and Strategic Working Group and we lobbied MSPs to take forward further amendments at Stage 2 through our membership of the Existing Homes Alliance coalition. The successful amendments included:

- The introduction of interim fuel poverty targets
- Placing the Scottish Fuel Poverty Advisory Panel on a statutory footing, with adequate funding, to scrutinise progress against those targets.
- The reporting of progress towards the targets against the four drivers of fuel poverty.
- Consultation with appropriate persons, including: older people, disabled people, those living in rural areas and those with lived experience of fuel poverty.

Progress and next steps

The Scottish Government will publish a long-term Fuel Poverty Strategy within one year of commencement of the Bill. CAS is well-placed to influence this through our advocacy work and research, as we did for the draft Strategy published in 2018, as well as our membership of the Fuel Poverty Advisory Panel. Our advocacy work will, as always, be informed by the social policy feedback we receive from the Citizens Advice Bureau network in Scotland. This remains a unique and effective way of identifying the problems faced by people daily in communities throughout Scotland.

In 2019-20, we will look to undertake research on the success of fuel poverty alleviation initiatives to understand whether they reduce fuel poverty in practice. This will include exploration of the consumer experience of accessing energy supplier initiatives such as fuel voucher schemes, as well as the Warm Home Discount and energy-related social securities.

³⁴ <https://www2.gov.scot/Topics/Statistics/SHCS/Downloads>

Responsive and ongoing work

Theme 2 Energy Efficiency

The issue

Living in an energy inefficient home is a key driver of fuel poverty and around 1.4m Scottish homes are below the EPC rating of C. The Scottish Government has defined energy efficiency as a National Infrastructure Priority and in early 2019 launched the Energy Efficient Scotland Programme to improve the efficiency of Scotland homes over a 20 year period. This has the potential to have significant impact on consumers of all tenure types in Scotland.

What we did

We issued two consultation responses – The Energy Efficient Scotland (EES) Route Map (July 2018) and more recently, a consultation on the further development of the program (June 2019). We were pleased to see new proposed regulatory minimum standards in the private rented sector, more clarity about energy efficiency targets for Scotland's homes, and removing poor energy efficiency as a driver for fuel poverty as a headline goal in the most recent consultation, as we had made these key lobbying points in our response to the EES Route Map. Key lobbying points and recommendations made in both consultations included:

- Taking along the best features of Scotland's existing programs, while learning lessons from schemes that have fallen short
- Continued and additional clarity on energy efficiency targets for Scottish homes
- Government investment in significant and increased funding for energy efficiency improvements in Scottish homes – including grants, interest free loans, and tax incentives
- Targeted financial support and advice to prioritise those that are fuel poor and vulnerable
- A sustained campaign to build universal public support for the proposed energy efficiency objectives
- Robust and accessible paths of redress for consumers when something goes wrong
- A clear Scottish Quality mark for suppliers that is easily recognisable

In our more recent consultation, we called for a third category of compassionate exemption from regulation in cases where retrofitting energy efficiency measures would be too disruptive and stressful for the occupant.

We briefed MSPs before a debate on the EES program, and were pleased to receive significant coverage and have Labour and the Liberal Democrats draw significantly on our briefing during the debate, joining the call for a 'one-stop-shop' approach. Conservatives supported our Council Tax rebate scheme, while the Green Party supported a range of suggested incentives to promote consumer buy-in. We sit on two Scottish Government energy efficiency working groups – the SLWG on Energy Performance Certificates (EPC) Assessment, which is ongoing, and the SLWG on Quality Assurance and Consumer Protections under EES, which issued its recommendations in October 2018.

Progress and next steps

The Scottish Government issued a consultation on draft regulations for the private rented sector in March, which we have responded to with evidence from a recent omnibus survey on private tenants' attitudes to regulation. We will continue our advocacy work in the SLWG for EPC assessment, where contributions of members will be on additional assessment requirements of EES to assist households in meeting the target standard.

In 2019/2020 we will undertake research on consumer understanding and perception of EPCs in an effort to make EPCs, a major policy driver of Energy Efficient Scotland, as accessible and consumer-friendly as possible. This research will build on previous research that we carried out in 2017 on Scottish consumer attitudes towards EPCs and energy efficiency regulation.

Responsive and ongoing work

Theme 3 – District Heating

The Issue

The District Heat sector in Scotland remains unregulated and consumers are exposed to detriment due to a lack of consumer protection. We have seen evidence of this through the Citizens Advice Network in Scotland at locations such as at the Wyndford Housing development in the North of Glasgow where over a hundred households were disconnected from their heat supply after accruing debt.

What we did

We responded to the CMA's call for views on its market investigation into heat networks using findings set out in our report *Different Rules for Different Fuels*. We also met with the Scottish Government in August 2018 to discuss the next steps following our response to the Scottish Government's consultation on LHEES and district heating.

We also worked at a local level to advocate for consumers facing detriment as a result of a lack of consumer protection in current district heating schemes. We engaged with the local CAB, SSE Enterprise, the local housing association and the Heat Trust on numerous occasions to advocate for over a hundred consumers who had been disconnected from their heating supply ahead of the winter heating period.

Progress and next steps

The CMA's final report mirrored many of the recommendations from *Different Rules for Different Fuels*, calling for the regulation of district heating and consumer protection including:

- > Consideration of publishing prices
- > Price setting criteria
- > Billing requirements
- > Support for vulnerable consumers, including a Priority Services Register
- > Continuity of service
- > Technical standards
- > Heat contracts
- > Enforcement

We also highlighted other areas such as debt, disconnections, a register of schemes, compensation for interrupted supply, and advice on heating systems, that we would like to see a sector regulator take forward.

Following our calls and the CMA's recommendations the Scottish Government announced their intention to introduce regulation of district heating on 22nd November 2018. The Scottish Government's analysis of consultation responses to the Second Consultation on Local Heat & Energy Efficiency Strategies, and Regulation of District and Communal Heating mentioned CAS several times.

CAS has also been invited to sit on the Short Life Working Group for District Heat to bring their expertise and evidence from the Citizens Advice Network in Scotland.

At the Wyndford District Heat scheme, as a result of our collective lobbying SSE Enterprise agreed to establish a £10,000 fund to help consumers with the £273 re-connection fee.

Responsive and ongoing work

Theme 4 Energy Networks

The Issue

To meet climate targets, the energy system is changing and is already operating in a lower carbon, more flexible and smarter way. This transition which is being driven by the deployment of variable renewable generation has big implications for energy network companies and potentially for domestic and non – domestic consumers. Through 2018-19 we have worked hard to ensure that the consumer voice is heard in what can be an industry dominated policy landscape. In particular we have lobbied for and worked together with network companies to further support vulnerable consumers in the next price control period – RIIIO 2 – and to make sure that the networks are developed in a way that drives value for consumers.

What we did

In 2018-19 CAS has been a leading voice in representing Scottish consumers with the development of the energy networks. Through the year CAS has engaged significantly with the Scottish Government, energy network companies in Scotland and Ofgem to ensure that the consumer voice is heard. Ofgem has encouraged energy network companies to undertake programmes of enhanced stakeholder engagement as they develop their business plans for the next price control period (RIIO-2) and this has formed a significant part of CAS' advocacy work. Building on research undertaken in 2017-18³⁵ we have used a number of forums to advocate for consumers. These include:

- > Member of National Grid Electricity System Operator Stakeholder Advisory Group
- > Member of SGNs Customer Engagement Group and Specialist Stakeholder Panel
- > Member of SPEN Specialist Stakeholder Panel
- > Member of Ofgem's GD2 – Customer and Social Working Group
- > Member of Ofgem's T2 – Working Group
- > Given multiple presentations to Transmission company User groups (alongside Citizens Advice)

CAS has responded to multiple Ofgem consultations on the RIIIO 2 process and Targeted Charging Review, the ENA's Future Worlds Consultation and the Royal Society of Edinburgh's Energy Inquiry to ensure the consumer voice is heard in what can be an industry dominated policy landscape.

As well as advocating for consumers on an ongoing basis CAS has been involved in a process of collective lobbying led by Citizens Advice which called on Ofgem to protect vulnerable consumers in the RIIIO 2 programme. In December 2018 we authored an essay³⁶ which was part of a collection which was sent to the Ofgem board. The essays and follow up roundtable event, which CAS presented at, have had wide coverage and have led to a number of positive outcomes for consumers – these are noted overleaf.

³⁵ <https://www.cas.org.uk/publications/pylons-pipes-and-people>

³⁶ <https://www.citizensadvice.org.uk/about-us/how-citizens-advice-works/media/press-releases/consumer-coalition-sets-out-riio-2-vulnerability-proposals/>

Responsive and ongoing work

Progress and next steps

Ofgem recently announced that the RIIO 2 programme will include a £8-16M ‘use it or lose it allowance’ for gas distribution companies to support consumers in vulnerable situations. This is a great outcome for consumers and CAS will continue to work with network companies in Scotland to design appropriate programmes to support fuel poor and vulnerable consumers. We are already doing this through SGNs Customer Engagement Group.

Ofgem have also announced that support for vulnerable consumers should be a focus of any innovation projects delivered by energy network companies through the Network Innovation Competition (NIC). This is something that CAS has called for in multiple consultation responses³⁷.

We have continued to work hard with network companies in Scotland to help them increase their support for vulnerable customers. At the same time CABs report that lack of funding for energy advisors (who often support those in vulnerable situations) is an ongoing challenge. As a result of our work, SSEN has agreed to fund 4 part-time equivalent energy advisor roles at CABs (in the SSEN region) from April 2019 to deliver bespoke support to those experiencing fuel poverty. This will improve outcomes for those who are struggling to heat their homes by giving them advice and support with their energy supply, helping them apply for grants, such as the Warm Home Discount, and making sure they have access to grants and loans to make their homes more energy efficient.

Big Energy Saving Week

BESW kicked off in 21-25 January 2019 with the key message to ‘switch, check and save energy’. We published a press release and campaign materials that Scottish CABs could tailor with local messages. We also published new data³⁸ on the switching rates of Scottish consumers by local authority area in 2018. To raise awareness of the benefits of switching we ran a media campaign which had coverage on a range of radio and TV in Scotland.

³⁷ <https://www.cas.org.uk/publications/cas-response-ofgem-riio-2-sector-specific-consultation>

³⁸ <https://www.cas.org.uk/news/new-data-shows-huge-differences-across-scotland-energy-switching-rates>



The Extra Help Unit (EHU)

The Extra Help Unit is part of the Citizens Advice network based in Scotland, but offers key services to vulnerable consumers across GB. Across 2018-19, demand for EHU services remained high and the Unit delivered a strong and effective service to vulnerable consumers, achieving more than £3 million in financial redress.

It supports vulnerable domestic and micro-business consumers across Great Britain with energy and postal complaints. As defined in the CEAR Act 2007, the EHU has statutory duties to investigate complaints where a supply has been disconnected or is at imminent threat of disconnection, including prepayment meter faults, self disconnection and metering tampering. The EHU also has statutory powers to investigate complaints on behalf of vulnerable consumers. A consumer is deemed to be vulnerable if they are unable to resolve a complaint without additional support. This could be due to their personal circumstances, the complexity or urgency of the case.

In addition to providing support to consumers, the EHU operates an “Ask the Adviser” service, which offers support to advice providers, including bureaux, to help them resolve a client’s energy or postal complaint.

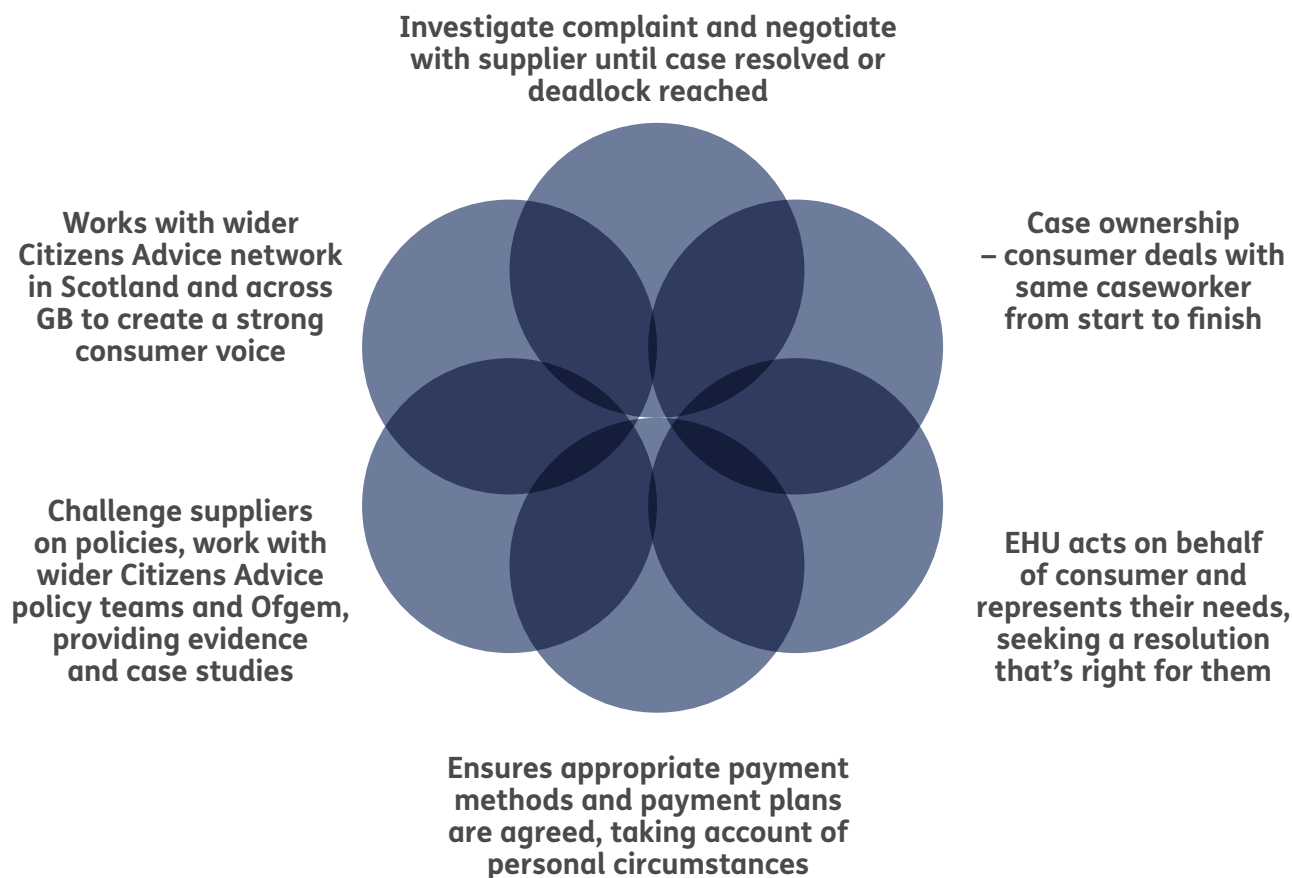
Around 90% of the complaints handled by the EHU are from domestic consumers, and 10% from micro-business consumers. The vast majority of case handling and supplier engagement is linked to

energy, postal complaints account for only 0.6% of EHU work. 86% of consumers contacting the EHU resided in England, 9% in Scotland and 5% in Wales.

Consumers contacting the EHU are often very distressed and in desperate need of assistance and can often lack family or peer support. Physical and mental health issues, low incomes, implications of benefit changes and the complexities of the energy market can all contribute to consumers being in a very vulnerable position and requiring specialist support. The EHU employs a team of highly skilled staff with in depth industry knowledge who are routinely trained on how to deal with vulnerable consumers and understand the issues they may be facing.

The EHU works co-operatively with suppliers to help achieve positive outcomes for consumers, ensuring detriment is addressed in individual cases and through wider policy discussions. As part of CAS, the EHU also works closely with the utilities policy team – creating a virtuous circle of advice and advocacy and ensuring that those most vulnerable in the energy market have a voice.

Overall approach to service provision



Trends

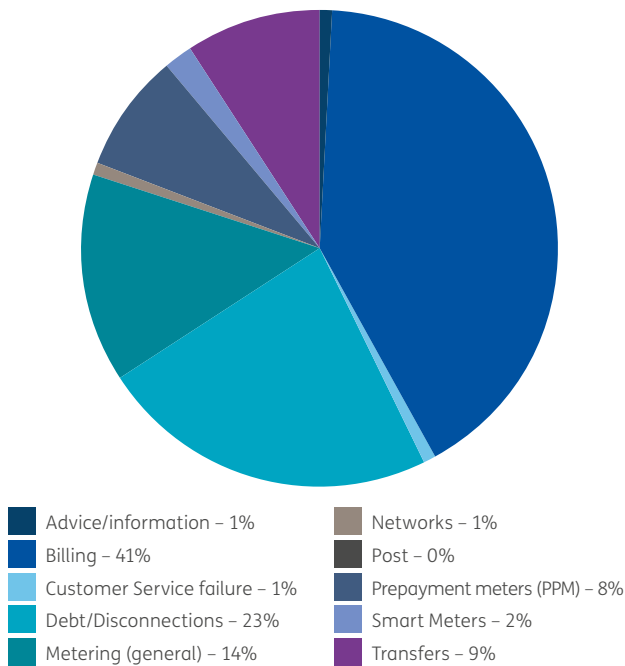
Billing errors and debt and disconnection continue to be the key reasons energy consumers seek assistance. Prepayment self disconnection remains an ongoing issue throughout summer and winter months for many on low and changeable incomes.

Across 18/19, one of the emerging concerns was the number of suppliers going out of business. This can be very distressing for consumers who may have worries about being disconnected or losing credit balances. Each situation created a different range of scenarios and challenges depending on

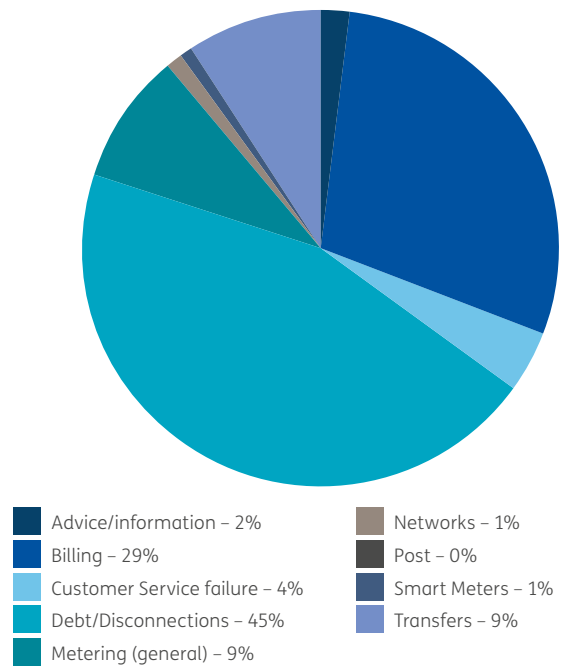
the customer base, metering type and whether staff and systems are still accessible at the business that has ceased trading. For those on prepayment meters, the immediate risks and uncertainty are much greater than for those with credit meters. However, for credit consumers, concerns around delays in receiving credit balances and how debt balances have been calculated and pursued are key issues. The EHU has worked hard to ensure consumers are protected as well as they can be pre and post the appointment of the supplier of last resort, through working with the suppliers involved, Ofgem and Citizens Advice policy team.

Overall complaint themes 18/19

Domestic Complaint themes

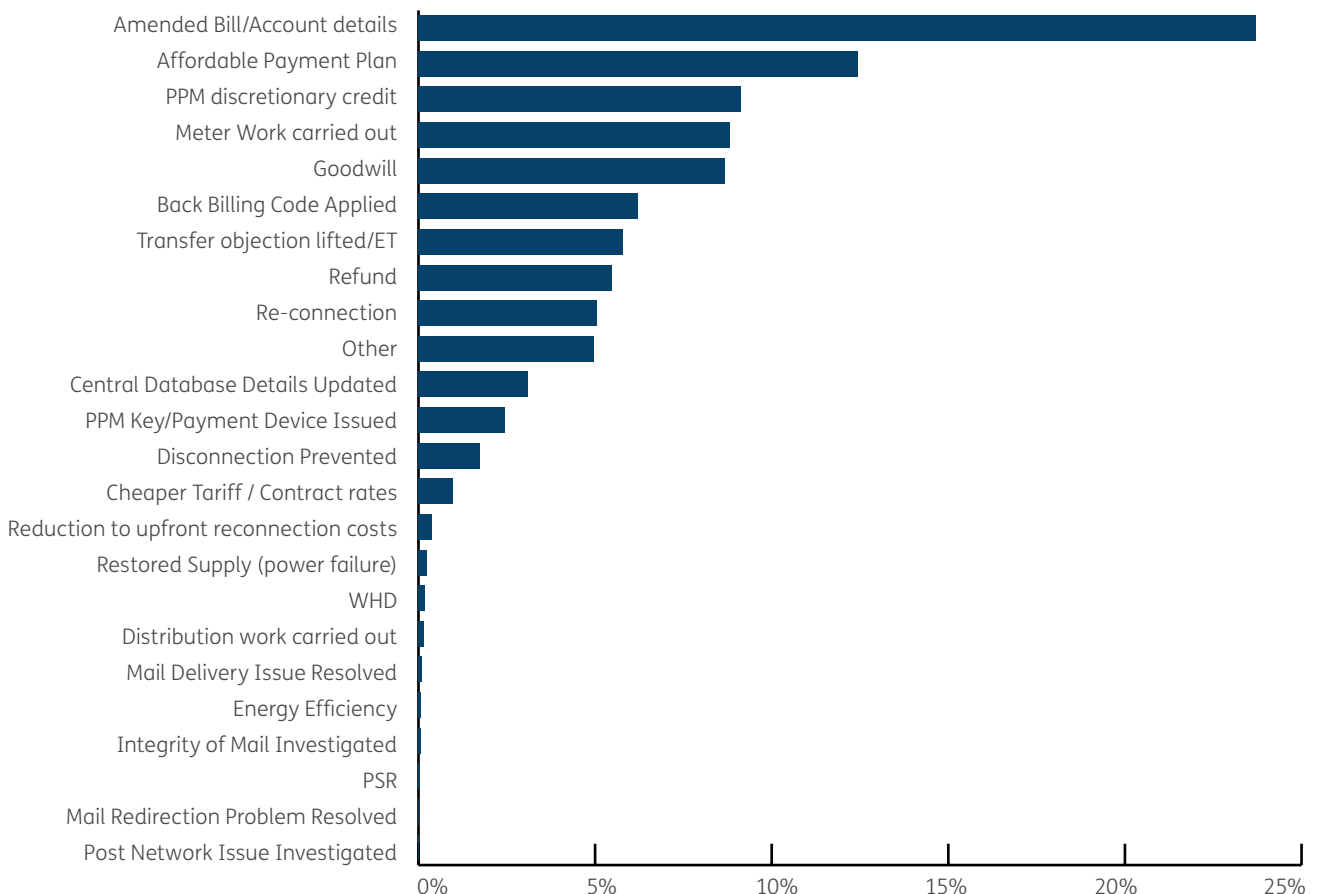


Micro-business complaint themes

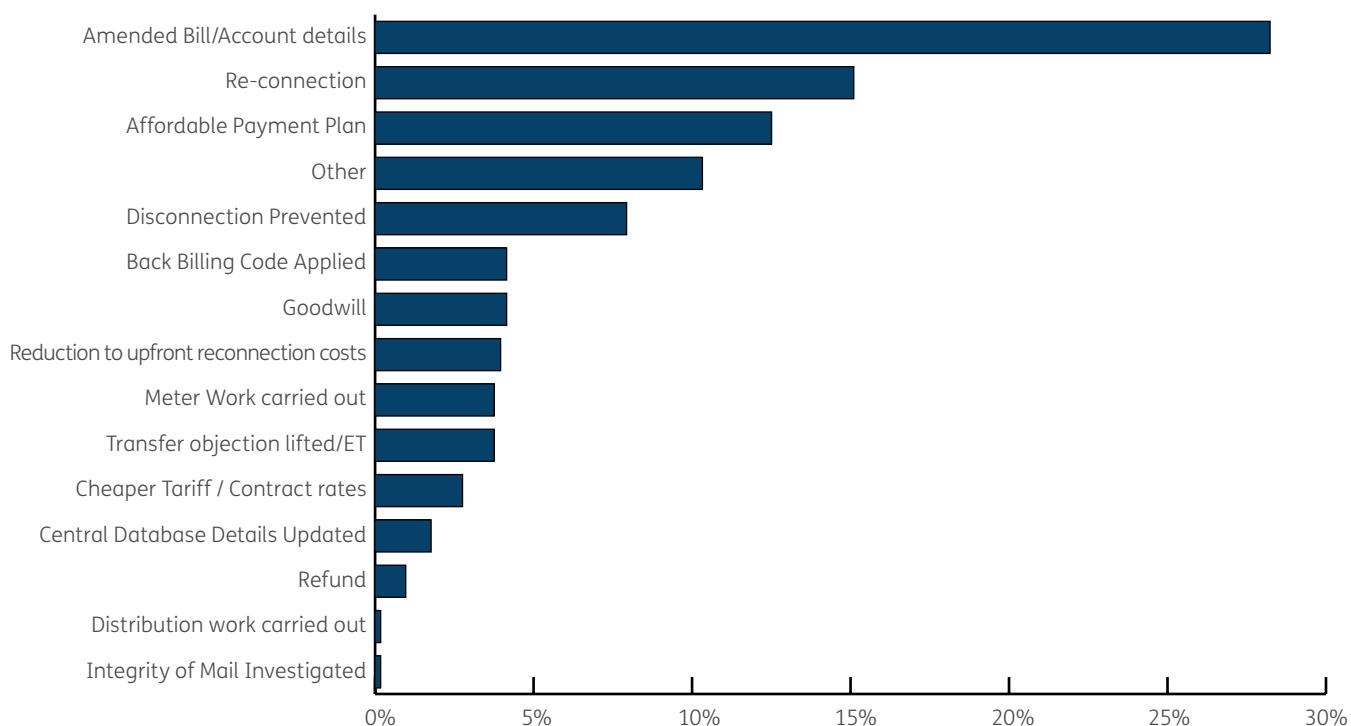


Achieving positive outcomes on casework

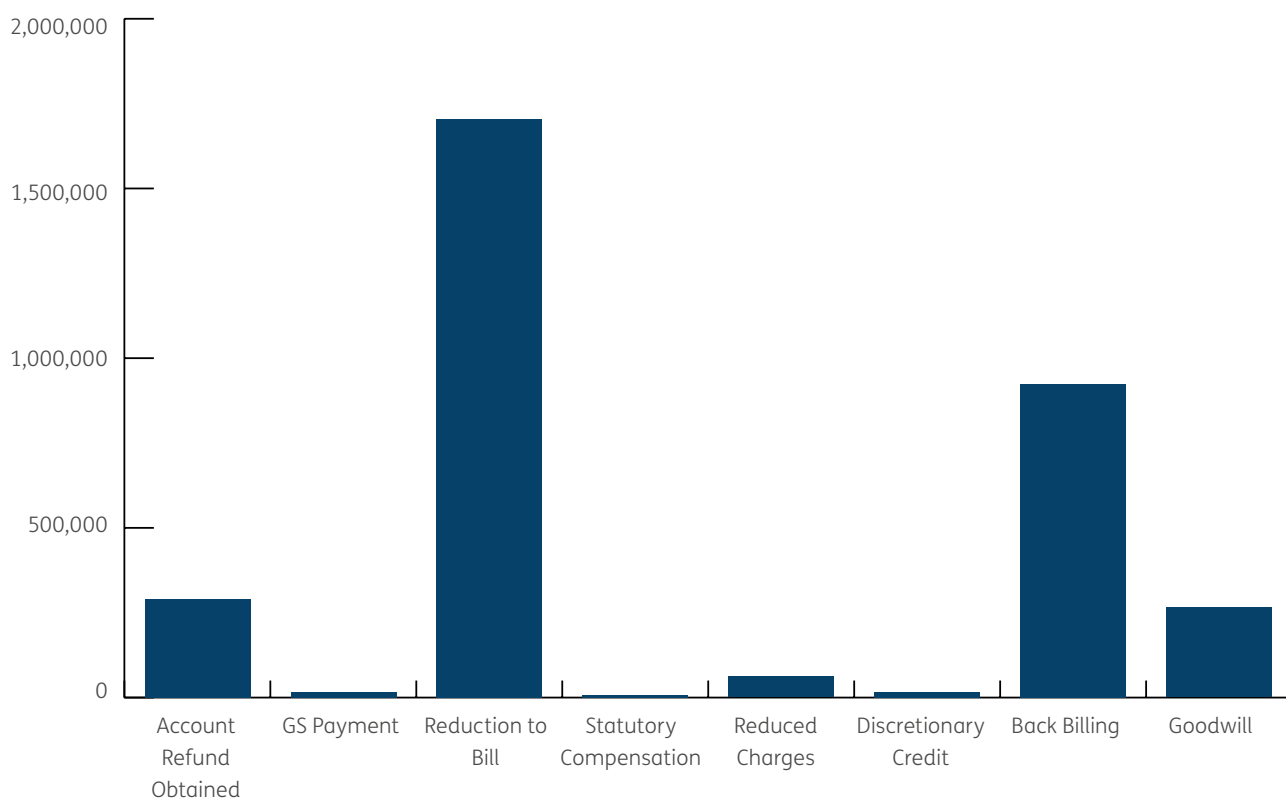
Domestic outcomes



Micro-business outcomes



Financial redress £3.2 million breakdown



Industry engagement

The EHU has continued to attend regular tripartite meetings with the Citizens Advice (England and Wales) energy retail team, Ofgem and the Ombudsman Services to discuss emerging concerns affecting energy consumers.

The EHU has led changes to the domestic quarterly supplier liaison meetings and will continue to implement improvements and ensure discussion topics are topical and best practice is shared. Attendees include a range of larger and smaller suppliers, BEIS, Scottish Government, OSE, Energy UK and Ofgem. Issues discussed across the year included:

- > Self disconnection and fuel vouchers
- > Winter preparation
- > Transfer blocking
- > Third party credit deductions and changes following the implementation of universal credit
- > Concerns around how legacy PPM arrangements can be supported alongside smart meter roll out
- > Billing complaints and impact of back billing licence condition

The EHU was also involved in a micro-business supplier liaison meeting, highlighting both policy and operational issues affecting micro-businesses in the energy market.

While the EHU works directly with individual suppliers to address performance concerns, the EHU contributes to wider best practice guides so lessons can be learned and shared across industry. For example:

- > Recovering energy debt from the smallest businesses³⁹
- > Supplier of Last Resort -good practice guide⁴⁰
- > Improving support for prepay customers self-disconnecting⁴¹

In terms of reducing billing errors, suppliers are fully responsible for the functioning of their billing systems, however, the EHU can highlight where billing failures cause detriment and ensure the supplier takes responsibility for their errors. The EHU has been active in highlighting where suppliers were failing to apply the back billing code and with the introduction of the new licence condition, the EHU is now pushing for further guidance on situations where back-billing is applicable and how back-billing is calculated to ensure consumers receive the same resolution regardless of their supplier's interpretation of the code. The billing code should also motivate suppliers to improve their billing practices.

EHU Website

A unique EHU website was launched (www.ehu.org.uk) to:

- > Ensure that new suppliers entering the market are aware of the EHU's role
- > Provide consumers contacting the EHU with more detailed information on how we deal with their case and role played in working with industry.
- > Provide secure log in for suppliers so they can see instantly who their dedicated contacts are for EHU. It also provides the ability to view and update the supplier directory which is a contacts resource for suppliers when they require to contact other suppliers to help resolve a case

The EHU website has proven to be a valuable tool for improving visibility of the Unit and also for enabling suppliers to access contacts for other suppliers to help them resolve complex metering mix ups or erroneous transfer issues.

³⁹ <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/GPG%20SME%20Debt.pdf>

⁴⁰ <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/Final%20-%20SoLR%20GPG.pdf>

⁴¹ <https://www.citizensadvice.org.uk/Global/CitizensAdvice/Energy/PPM%20self-disconnection%20short%20report.pdf>

Key Performance Indicators for 2018/2019

EHU Measures	April 2018 to March 2019	April 2017 to March 2018
Complaints	8,755	7,771
Enquiries	1,684	1,154
Ask the Adviser	3,016	2,950
Financial Redress	£3,291,825.27	£2,425,657
EHU KPIs		
Quality: 70% of cases quality checked categorised as green	74%	75%
Quality: 90% of cases quality checked categorised as green or amber	92%	96%
DOMESTIC		
75% of cases closed within 35WD	65%	73%
90% of cases closed within 66WD	85%	89%
85% Tangible Outcome	82%	86%
85% of consumers independently surveyed satisfied or very satisfied with service	87.5%	89%
MICRO-BUSINESS		
75% of cases closed within 35WD	72%	72%
90% of cases closed within 66WD	86%	89%
75% Tangible Outcome	64%	68%
83% of micro businesses independently surveyed satisfied or very satisfied with service	78%	88%

The EHU secured the highest level of financial redress ever secured since the establishment of the EHU in 2008. This can be attributed to dealing with a higher volume of complaints and also some very successful outcomes on micro-business cases.

Overall, the Unit performed strongly against quality and customer satisfaction indicators, but struggled to meet others especially on case closure performance. Analysis was carried out on 299 cases to understand the reasons why EHU was struggling with this area of performance. Analysis found over 60% of KPI failures were caused by supplier delays. The information is presented in more detail below. It should be noted that the number of suppliers going out of business impacted directly on the

timeliness of responses of those suppliers going out of business and those suppliers appointed to take on their customers. Also, complaints were logged against 100 suppliers/distributors during this period and this provides a strong indicator of the complexities involved in managing relationships and supplier performance. Steps have been taken to address resourcing issues in the Unit to ensure staffing levels are adequate to meet demand on EHU services and some operational changes have also taken place with Stakeholder Liaison Officers playing a stronger role in working with suppliers to address concerns around quality and timeliness of responses to EHU complaints. KPIs for 2019/2020 have been reviewed to ensure they are challenging but achievable.

Case studies

Micro-business case study

- > The consumer was referred to the EHU after receiving threats his electricity supply would be disconnected that day due to a balance over £6000.
- > An interim arrangement had been agreed with the supplier however, he was no longer able to meet the commitment in full.
- > The consumer also had concerns over the accuracy of this balance. A past issue whereby the smart functionality of his meter was not working for 4 months on installation meant the account had been underestimated. This contributed to a catch up of charges. The consumer also had concerns that the readings had been transposed.
- > During the EHU complaint an interim payment arrangement of £100/week was accepted.
- > After EHU investigation it transpired the supplier had billed the evening/weekend register and the day register the wrong way round therefore more usage had been billed on the higher rate. The account was rebilled and the balance reduced from £7405 to £5894.
- > During the EHU complaint the supplier tried to take £5k from the consumer's bank account whilst investigations were ongoing. Furthermore debt recovery continued despite a hold being agreed on the account. A goodwill gesture of £50 was given due to this.
- > The supplier invited the consumer to apply for their Trust Fund. This was successful and after the consumer had paid 3 months' worth of ongoing invoices the balance of £5894 was written off in full.

Domestic Case studies

Complaint background

- > The consumer had depression and anxiety and the condition ME. She also had mobility issues. She received Employment & Support Allowance and Personal Independence Payment.
- > She had received conflicting correspondence from her energy supplier stating various electricity balances were outstanding ranging from £3,000 to £8,000. Furthermore the consumption was quoted as £159pcm.
- > This issue was causing much distress and the consumer experienced a panic attack on the phone with the Extra Help Unit whilst explaining the issue. We dealt with a family member on her behalf as the consumer was struggling with her mental health throughout the EHU case; at one stage it was explained she had been suicidal.

Complaint outcome

- > It was found the electricity meter should have been billed on 3 rates – day, night and control. However, the account had been incorrectly billed using only 2 rates. When this error was corrected it resulted in a high value bill.
- > The supplier rebilled the balance on the cheapest tariff available which reduced the balance to £2,217. The corrected usage figure was also confirmed as £90pcm.
- > An application was made to the supplier's hardship fund and initially an award was made to reduce the balance by 50%. This was then increased to 100% and the full balance was withdrawn. A goodwill gesture of £100 was also given by way of an apology.

Case studies

Complaint background

- > The consumer had depression and anxiety. He received job seekers allowance and was in financial difficulty, having fallen behind on household priorities including council tax. He had already used a food bank on 2 occasions.
- > He had self disconnected from his electricity prepayment meter and had been off supply for 3 days before being referred to the EHU. He was not due any income for a further week.
- > The supplier had previously provided discretionary credit of £10 and had advised they would not provide any more.

Complaint outcome

- > After EHU contact, the supplier contacted the consumer, reset the meter and arranged a discretionary credit of £20. This was a goodwill gesture and did not need repaid. The supplier also looked into their own fuel voucher scheme and managed to arrange a voucher of £45 for the consumer.
- > A follow up phone call was arranged with the consumer to go through an application for Warm Home Discount.

Customer satisfaction

Customer satisfaction rates for the EHU have remained consistently high. In 2018-19 88% of consumers independently surveyed were satisfied or very satisfied with the service. Some feedback comments are noted below.

- > They are a lifeline.
- > They have changed my life back and gave me my life back as they were threatening me on a mistake they had made. Nobody would believe it until the Extra Help Unit got involved and they fought the case for me and didn't just take the word of the supplier.
- > I just think the Extra Help Unit do such a brilliant job and it must help a lot of people. It is just good to know they are there to help you.
- > People like me need them to be around, and I still thank god that they were there to help me. as was possible
- > It took so long and I spent hours on the phone with the Extra Help Unit and they never lost patience with me, were very friendly and never stopped me talking. They also talked on my behalf as I said I didn't want to deal with them anymore
- > They did the job perfectly and were really good and more informed than me. I have already recommended them to other people.
- > I just want to say thank you, I really would. They [EHU] gave me the breathing space I needed. I could sleep better after I was getting that help. Hamish and the EHU was a god send, they really were.
- > They made my life immeasurably easier by taking over the case and representing me'
- > The entire thing got me so emotionally distraught, so to hear a guy saying that he was willing to help, that gave me relief to start with and the guy was fast and thorough and knew exactly what he was doing – it was excellent and I can't thank him enough. The stress relief – it was overwhelming, to be fair.



Post

Our main areas of work in 2018/19 were on parcels, letters and access to postal services with much of our work overlapping in two or more areas.

Following the publication of our research on parcel delivery surcharges in 2017/18, our work on this issue has been focused on finding solutions to improve the situation for affected consumers. Working as part of the Consumer Protection Partnership project on parcel surcharging, we've been involved in coordinated action to improve the transparency and accuracy of delivery information and explore solutions to address the level and fairness of these surcharges. We've also been working closely with Scottish Government on the development and implementation of their Fairer Deliveries for All Action Plan. While good progress has been made on this issue, our advocacy work will continue into 2019/20 as we work with governments, operators, retailers, online marketplaces and other key stakeholders to agree and implement solutions.

In addition to our advocacy work on parcel surcharging, we also conducted research to improve our understanding of the complaints landscape in the postal sector so that we can work to improve the complaints experience for consumers. Our 2017 Consumer Tracker Survey found that less than half of consumers who experienced problems with postal services made a complaint, often as they did feel it was worthwhile to do so. Of those that did complain, 41% said they were not satisfied with the outcome of their complaint – which suggests that improvements to complaints processes are needed. We will shortly be publishing the findings from this research and in 2019/20 we will work in partnership with Citizens

Advice England & Wales and the Consumer Council for Northern Ireland on measures that will improve the complaints experience for consumers.

We are also conducting additional research on Post Office Outreach services which complements our previous consumer research and will help to improve our understanding of how these services are delivered on the ground. These 'pop up' post offices now account for 16% of the Post Office network in Scotland and provide an essential service to many communities where a traditional, bricks and mortar Post Office is no longer commercially viable. We will publish this research in 2019/20 and work with Post Office Ltd and Sub Postmasters to ensure these services remain sustainable and are meeting the needs of consumers.

Alongside our programmed work, in 2018/19 – like most other years – we engaged with and responded to external policy developments in the postal sector. This included responding to Ofcom's review of the Second Class Safeguard Caps and sharing our insight on the needs of Scottish Consumers with researchers acting on behalf of the European Commission, who will shortly be undertaking a review of the Postal Services Directive. We submitted written evidence to a number of parliamentary committee inquiries and raised awareness of postal consumer issues in local and national media throughout the year. We also monitored Business As Usual changes to the Post Office network across Scotland.

Programmed work

Project P1: Reducing consumer detriment from location-based delivery surcharging

The issue

Following work first done by Skye & Lochalsh Citizens Advice Bureaux, our research found that consumers living in affected areas pay on average 30-50% more for the delivery of goods bought online than consumers in other parts of mainland Great Britain.⁴² This issue also affects Scottish SMEs – where one in four (23%) of those who said they ordered items online for business reported being asked to pay an additional delivery surcharge due to their location.⁴³

Related to this, there can also be a lack of transparency about delivery information provided to consumers when shopping online and the charging structure for delivery to the surcharged areas is not always reflective of the increased costs associated with delivery to some parts of Scotland.⁴⁴

What we did

Our research concluded that a co-operative and collaborative approach is needed to tackle this issue and throughout 2018/19, we have been working as part of the Consumer Protection Partnership (CPP) task team on parcel surcharging – particularly with the Competition & Markets Authority (CMA) and the Consumer Council for Northern Ireland (CCNI) – as well as other relevant partners to bring parcel operators and online retailers together to agree improvements.

We have also worked closely with Scottish Government on the development of their Fairer Deliveries for All Action Plan.

Progress and next steps

Through our advocacy work on this issue, CAS:

- Successfully engaged with national and regional parcel operators to discuss potential solutions that would reduce costs for consumers, beginning with a facilitated roundtable event where attendees agreed to support a number of actions and participate in future discussions.
- Recommended in our report *The Postcode Penalty: Delivering Solutions* the potential use of community Pick Up, Drop Off (PUDO) points to lower the costs of delivery for consumers living in affected areas. Scottish Government have committed to explore this further in their Fairer Deliveries for All Action Plan.
- Encouraged the CPP to co-ordinate efforts to tackle misleading claims about delivery and support enforcement action. Alongside the significant influence of Richard Lochhead MSP's Fair Delivery Charges campaign and the efforts of the CPP, this work informed the decision of the Committee for Advertising Practice to issue enforcement notices to almost 300 online retailers throughout 2018/19 whose advertising contained misleading language about delivery. Their enforcement work resulted in a 97% compliance rate⁴⁵ – directly improving the transparency of delivery information for consumers shopping online.
- Began discussions with retail trade bodies, such as the British Retail Consortium and IMRG, and online marketplaces, like eBay, as part of the CPP project on parcel surcharging to better understand their delivery policies and views on surcharging. This engagement will continue in 2019/20 where we hope to agree improvements that benefit affected consumers.

⁴² CAS (2017) [The Postcode Penalty: Delivering Solutions](#)

⁴³ CAS (2018) [Delivering for Business: Scottish SMEs use of Postal Services](#)

⁴⁴ Ofcom (2017) [2016/17 Annual Monitoring Report](#)

⁴⁵ Advertising Standards Authority (2019) [Annual Report 2018](#)

Programmed work

- > Lobbied Ofcom to carry out a further information gathering exercise with parcel operators to explore their pricing structures in more detail.
- > Worked with Scottish Government, Highland Trading Standards and a collective of representatives from across the bureau network to promote Fair Delivery Action Day as part of National Consumer Week, which focused on raising awareness of consumer rights in online marketplaces. Through this work we were able to raise consumer awareness of their rights in relation to delivery surcharges and promote the [deliverylaw.uk](https://www.deliverylaw.uk) online hub, which was developed as part of the CPP project to provide consumers, business and retailers advice about their rights and obligations in relation to parcel delivery.

Our advocacy work on this issue will continue in 2019/20. While good progress has been made on improving the accuracy and transparency of delivery information – which saves consumers time and energy that they may otherwise have to use shopping around to avoid paying a surcharge

– more work is needed to find solutions to the issues around the level and fairness of delivery surcharges. Using CAS data, the Scottish Parliament Information Centre (SPICe) has estimated that delivery surcharges could cost Scottish consumers an extra £38m per year.⁴⁶ While the true financial cost may be lower as consumers are forced to shop around – or even go without the item – this in itself is another form of detriment and any progress made in this area will save consumers money and increase choice.

Parcel surcharging is a complex issue to resolve – due in part to the tripartite relationship between the retailer, parcel operator and consumer – but we are encouraged by the engagement and interest we have had from retailers, online marketplaces and parcel operators and look forward to continuing to work with them to agree improvements that will benefit affected consumers.

⁴⁶ Scottish Parliament Information Centre (18 Dec 2018) [Estimating the additional costs to Scotland of parcel delivery surcharges](#)



Programmed work

Project P2: Monitoring and maintaining Post Office Outreach services

The Issue

Increasing numbers of Scottish consumers are within reach of a Post Office Outreach service. These services let consumers access post and other products in areas without (and sometimes in place of) a traditional, bricks and mortar Post Office. They provide a vital lifeline to rural and remote communities where a permanent Post Office is no longer commercially viable.

The number of outreach branches UK-wide has more than doubled since first introduced and now makes up around 13% of the whole UK Network. As of June 2018, Outreach services account for 16% of the network across Scotland, meaning that the Post Office network in Scotland is comprised of a higher proportion of Outreach services than the rest of the UK.

Currently, Post Office Ltd (POL) undertakes evaluation of the network as a whole in a number of ways including mystery shopping and evaluating feedback and complaints – but none of POL's proactive evaluation includes Outreach services, all focus in on core branches. The lack of standardised monitoring or evaluation of Outreach services does not match their increased presence in Scotland's communities.

What we did

We previously conducted in-depth, deliberative research with consumers living in areas served by Outreach services to find out what they expect and value in a Post Office Outreach service. We found that while awareness of these services is low, consumers particularly valued: friendly and knowledgeable staff, reliable service with clear communication, contingencies in place if an Outreach service is unavailable, convenience (including opening times and accessibility) and some level of privacy.⁴⁷

Next steps

While our previous research has given us insight into what consumers' value most in an Outreach service, we don't have a full understanding of how these services are delivered on the ground by Sub Postmasters.

We are currently undertaking research, with the support and assistance of the National Federation of Sub Postmasters (NFSP), which will gather information from Sub Postmasters on their experiences of running Outreach services and their views on consumers' needs and the future of these services. We intend to publish the findings from this research in 2019/20. With more evidence in this area, we will be able to work with POL and Sub Postmasters to ensure that Outreach branches remain sustainable and meet the needs of the consumers who rely on them.

⁴⁷ CAS (2018) [Keeping communities connected: consumer views on Post Office Outreach services](#)

Programmed work

Project P3: Complaints: analysing and improving handling, redress and information

The issue

Information around total complaints volumes in the postal industry is limited. Numerous conditions and obligations are attached to the Universal Service Provider, Royal Mail, but just one sentence regulates all other complaints in the industry.⁴⁸

In our 2017 Consumer Tracker survey we found that 16% of Scottish consumers said they had experienced problems with postal services in the past 12 months, and less than half of those had made a complaint, often as they did not think it was worthwhile to do so. Of those that did complain, 41% said they were not satisfied with the outcome of their complaint. This suggests that complaints procedures in the postal industry could be improved.

For a market to function effectively, consumers need to be able to make informed choices about the goods and services they purchase, and businesses need to have credible mechanisms for feedback to allow them to improve their offering.

What we did

In 2018/19 we conducted research to improve our understanding of the complaints landscape in the postal sector – looking at what complaints procedures post and parcel operators currently have in place, how they are used by the industry, and if they are meeting the needs and expectations of the consumer – so that we are better able to identify areas of consumer detriment and work

to improve the consumer complaints experience. This work was undertaken in collaboration with the other Consumer Advocacy Bodies, Citizens Advice (England and Wales) and CCNI, who examined other aspects of the complaints landscape in the post and parcel sector.

We will shortly be publishing a report which summarises our findings and recommendations. Key findings from this research are:

- Consumers want a complaints process that is clear, easy to find and accessible – with easily contactable staff, who are empowered to resolve issues on first contact whenever possible.
- While all post and parcel operators value the feedback they receive through consumer complaints, the attributes of a ‘good’ complaints process are not well developed across the industry.
- The lack of a ‘good’ complaints process creates barriers that make it more difficult for consumers to complain – particularly young people.

Next Steps

In 2019/20, working in partnership with Citizens Advice (England and Wales) and CCNI, we will draft ‘best practice’ guidance on handling consumer complaints based on the findings from the research. We will use this guidance to work with operators to improve their complaints processes which will improve the complaints experience for the consumer.

We will also share the findings from our research with Ofcom, the regulator, and ask them to consider strengthening Consumer Protection Condition 3.2, which represents the minimum level of protection for postal consumers in relation to complaints.

⁴⁸ [Ofcom's Consumer Protection Condition 3.2](#)

Responsive and ongoing work

Much of CAS' work is proactive and preventative in nature. Throughout the year, we regularly engage with industry, government, regulators and elected representatives to represent the needs and interests of postal consumers in Scotland.

In 2018/19, we spoke up for consumers in a number of consultations which included:

- Responding to Ofcom's review of the Second Class Safeguard Caps, where we successfully argued for the need to retain the cap so as to ensure postal services remain affordable for all consumers.
- Engaging with researchers acting on behalf of the European Commission, who will shortly be undertaking a review of the Postal Services Directive, to ensure the particular needs of Scottish domestic and SME consumers are at the heart of any new postal regulatory framework.
- Sharing the findings from our research with the Infrastructure Commission for Scotland so that they are aware of the particular challenges Scottish consumers and SMEs face with regards to parcel delivery surcharges.
- Providing further information to Ofcom as they continued their consultation on proposals related to the recovery of consumer advocacy costs, in line with our previous recommendations.

We had significant engagement with governments in Westminster and Holyrood, as mentioned previously, on the issue of parcel delivery surcharges and submitted written evidence to the Scottish Affairs Committee inquiry on digital connectivity, the House of Lords Select Committee on the Rural Economy and the BEIS Select Committee inquiry on the future of the Post Office Network.

We also raised awareness of postal consumer issues, particularly parcel surcharging and the postal needs of SME consumers, in local and national media on a number of occasions.

Since 2012, more than 7500 Post Office branches across the UK have been modernised or moved into new premises such as pharmacies, convenience stores and newsagents under the Network Transformation Programme (NTP). Following the end of this programme, CAS has monitored Business As Usual changes to the post office network across Scotland, with particular regard for the number and location of branches, and made suggestions to POL about these changes where appropriate.



Water

During 2018-19, the CAS water team worked on behalf of Scottish consumers to ensure their needs were represented within a period which saw significant changes to the price review process.

Water industry partners have worked together as part of an intensive co-design process to identify suitable frameworks that move away from a project-based and operational approach to planning and project prioritisation, to clear strategies that will support a programmed approach to deliver longer term benefits for both domestic and non-domestic consumers. This will strengthen the industry's ability to respond to future challenges such as circular economy and climate change, and ensure that Scottish Water delivers investment that will maximise benefit for future generations, and on a more global scale through our ongoing work as part of the Hydro Nation Forum.

This year's programme of research and advocacy work addressed a number of key issues that are relevant to both the price review process and also Scottish Water's aspirational, longer term goals. Work on community engagement has involved jointly conducting research with other industry stakeholders on an area of mutual interest. Findings will help to strengthen the development of community engagement designed to achieve positive outcomes for both Scottish Water and the communities it serves during the delivery of capital investment programmes. Wider policy work has built upon previous research to more clearly identify measures that would provide more robust and targeted financial support to low

income households that may struggle to pay for their water and sewerage charges. Additionally, CAS' new Financial Health team has provided a strong context for ongoing, joint work on water and sewerage debt and policy development.

We have continued to push for greater support to be provided to rural communities reliant on and responsible for managing private water supplies. CAS completed its third piece of research jointly with the Drinking Water Quality Regulator for Scotland (DWQR) to support policy and practice for how and when interventions could support building stronger communities, able to improve their water quality to a compliant standard.

Following the opening of a competitive non-domestic water market in England in 2017, we will continue to work with key stakeholders both in Scotland and England to ensure that emerging models of cross-border service provision protect and serve the best interests of non-domestic consumers, particularly SMEs and sole traders.

During 2018-19, we experienced an increase in demand for our consumer-focused insight and expertise on various industry-led working groups focusing on bathing waters and strategic capacity. We will continue to support these groups and ensure that the needs of individuals and communities inform decision making.

Programmed work

W1 – Fair and affordable water and sewerage charges for all

The issue

Water and sewerage charges should be affordable for all households, but are not. Our research conducted during 2017 found that income rather than Council Tax banding is a more accurate proxy for supporting households that may be struggling to pay. However it also acknowledged that no simple platform exists upon which to base targeted financial support to those that need it most.

What we did

We commissioned technical research to assess the affordability of water and sewerage charges in Scotland, based on equivalised income. We then published an Insight report in October 2018, which set out interim and longer term recommendations to direct further support to low income households. Subsequent discussions with key stakeholders resulted in the Scottish Government's 'Investing in and paying for your water services from 2021' consultation proposing to decrease the single status occupancy allowance for charges from 25% to 10% and using additional revenue to increase the reduction of charges for those on Council Tax Reduction from 25% to 50%. We welcomed this proposal as an interim measure with a view to continuing to work with stakeholders to develop a more targeted, longer term approach to supporting low income households.

Progress and next steps

The Scottish Government confirmed that the particular proposals discussed above to increase support for those on CTR will not go forward. However, the Minister has committed to officials continuing to work with CAS and other stakeholders, in the longer term, to identify suitable mechanisms that are more likely to target support to those members of society that are least able to afford payments.

We will continue to work as a member of the Scottish Government's Long Term Charging Group to develop policy options for both domestic and non-domestic water customers to ensure that water charges are both fair and affordable.

W2 – Fair debt management

The issue

Many consumers on full Council Tax Reduction do not realise they remain liable for 75% of their water and sewerage charges, ignore reminders, and get into debt. Debt recovery methods used by local authorities do not always take a person's ability to pay into consideration and can often aggravate a situation of chronic indebtedness, and can on occasion, compound health issues.

What we did

CAS, together with Fife Council and Citizens Advice and Rights Fife, identified debt recovery practices that more effectively support and protect financially vulnerable consumers, whilst at the same time raising more revenue for the local authority. Based on this information, we developed a 'toolkit' of good practice for debt recovery of water and sewerage charges that could be rolled out to debt advisors to more effectively support vulnerable consumers. This was an issue that many CABs were reporting, but without CAS support did not have the resource to influence change..

Progress and next steps

The toolkit will be taken forward by our Financial Health team as part of a wider programme of work to improve the way that debt is recovered by local authorities. We will continue to push for more to be done by both Scottish Water and local authorities to improve communications to those on full Council Tax Reduction and increase awareness of their ongoing liability to pay.

Programmed work

W3 – Treatment system choice in private water supplies

The issue

Over 195,000 individuals in Scotland (mostly in rural and remote rural areas) are dependent on water from a private supply at home or at work. The maintenance and treatment of private water to a safe standard does not fall within the responsibility of Scottish Water but private owners. Smaller and unregulated supplies remain largely untested therefore those using the supply are unaware of whether or not the water they are drinking is safe. For supplies that are treated and tested, many fail to meet the minimum compliance standards which would indicate that the treatment they have in place is not effective.

What we did

In partnership with the Drinking Water Quality Regulator, we carried out research to better understand the factors that influence private water supply users or contractors when selecting water treatment solutions. Our research found that many domestic supplies have no treatment solution in place or no regular maintenance regime if a treatment system exists. This leaves those consuming water at risk of health related issues, and often believing that their untreated water is clean and pure, compared to public water which they view as 'contaminated with chlorine'. Furthermore, some supply owners cannot afford

to invest in the necessary equipment to improve their water source, and stated that the government grant is insufficient and needs to be reviewed.

Additionally, we supported the development of Scottish Water's 'Can do' fund which aims to encourage the design and manufacture of small water treatment systems for private water that can be easily and affordably implemented into properties.

Progress and next steps

Insight from our research will support and inform DWQR's ongoing engagement with local authorities, which have a statutory duty to risk assess and test regulated supplies. The identification of effective tools and methods are more likely to improve outcomes for those using private water.

Additionally, our research findings were well received at DWQR's annual conference, as they offered professional stakeholders a unique insight into the practical challenges of improving private water supplies, in contrast to the normal technical, legal and scientific focus.

We will continue to work with DWQR to push for robust policy framework in Scotland to support the improvement of private water in a way that also supports the communities that rely upon it.

An insight report will be published by CAS based upon this research during 2019-20.



Programmed work

W4 – Research into best practice Community Engagement in policy and practice

The issue

Through our own engagement with CABs, which lie at the centre of communities, we know how important it is that organisations work effectively with the people they serve. Although most organisations look to engage with the communities they impact, a gap can exist between the organisation's aspirations and the reality of how community engagement is delivered and received. A lack of robust policy underpinning community engagement strategies can, at best, lead to ad hoc community engagement that may be done well but not consistently, comprehensively, or with the flexibility required to respond to the specific situation.

What we did

Working jointly with the Customer Forum and Scottish Water, CAS led on research to identify existing models and frameworks for community engagement and previous research on processes and methods of community engagement. The research evaluated four community engagement programmes to identify the components that made community engagement successful, and which should be at the heart of comprehensive organisational community engagement policy and practice. A range of environmental, economic development and capital based projects were researched, which involved interviewing both the service provider and representatives from the target community.

Progress and next steps

High level research findings indicate that:

- Wider societal benefits arising from community engagement include bringing communities together to address a common interest
- A legacy of shared outcomes and positive relations are more likely to be achieved by communities and service providers working together
- Models of community engagement require to be simple, flexible, adaptable, set at the right level and easy to engage with
- Any process of community engagement by a service provider is more likely to be successful if it is given sufficient time and resources – it cannot be rushed.

We will use the findings from the research to inform and support the development and delivery of Scottish Water's community engagement strategy. We will continue to work with stakeholders to plan, deliver and evaluate four Scottish Water community engagement pilots that will test and inform its community engagement strategy. We will publish an insight report on research findings and wider consumer policy during 2019-20. Best practice identified in the research will also be disseminated by the team to different sectors – such as energy – to ensure that our research has a positive impact on as many consumers in Scotland as possible.

Responsive and ongoing work

Theme 1 – Strategic Review of Charges (SRC) for water and sewerage 2021-27

The issues

Scottish Water provides water and wastewater services to 2.5 million households each year which is paid for largely through customer charges. It invests approximately £0.6 million per year on essential infrastructure, maintenance to ensure that services are delivered consistently and well to its customers. Scottish Water is working with industry stakeholders to develop its Business Plan for the 2021-27 regulatory period in a way that allows it to respond to more dynamic, longer term challenges such as SEPA's One Planet Prosperity, circular economy, climate change, the UN Sustainable Development Goals, and the Scottish Government's national outcomes.

What we did

During 2018-19, CAS has worked to represent consumers within an intense period of information sharing and discussion to co-design, with industry stakeholders, the prioritisation and financial framework for programmes to be delivered during 2021-27. The critical investment decisions made during the planning process will have an impact on consumers and it's important that they have a strong voice.

This work has included ongoing participation in the live review of the SR21 regulatory process by the Organisation for Economic Co-operation and Development (OECD). Additionally, CAS has continued to support the work of the Customer Forum and has administered the SR21 Research Coordination Group, comprising of key stakeholders, which coordinates consumer research that will inform Scottish Water's Business Plan for 2021-27.

Progress and next steps

- Development of a water industry vision with clear long term goals, and short term goals and strategies for delivery during 2021-27, that can be used to measure progress
- A stronger emphasis on improving consumer and community engagement and outcomes
- Ongoing review of the SR21 process has resulted in a better understanding of how stakeholder roles and responsibilities must work together to address risk and achieve common goals
- More strategic, robust and consumer-focused evidence base is informing and strengthening critical investment decisions for 2021-27.



Responsive and ongoing work

Theme 2 – Bathing water quality groups and partnerships

The issue

Designated bathing waters deliver a range of benefits at a local and national level. Many of Scotland's coastal communities are dependent on local bathing waters maintaining a sufficient status, or above, to protect the local economy dependent on tourism and reputation. However, bathing water status can be negatively impacted by factors that reduce water quality. If water quality achieves a 'poor' status for five consecutive years, it will be issued with an advisory against bathing by SEPA.

What we did

We have continued to work with the Scottish Government, SEPA, local authorities and members of community groups to support initiatives to help improve bathing water quality, and protect the environment from sewerage waste caused by inappropriate household waste disposal, such as fats, oil and grease, and wet wipes, using the public wastewater system. Work has included a Keep Scotland Beautiful campaign in East Lothian to encourage members of the public to better understand how improved waste disposal practices can help protect areas of natural beauty, and the local economies that depend upon them.

Progress and next steps

We will continue to support SEPA, the Scottish Government and Scottish Water to develop effective community engagement strategies to meet the needs of communities that may be affected by a negative change in bathing water status.

Theme 3 – SMEs and the non-domestic market

The issue

There is a need in the non-domestic market to protect smaller consumers, particularly micro-businesses, to ensure that they get a fair deal from their service provider and are protected from harmful practices.

What we did

Following our research carried out in 2017-18 into the emergence of alternative service provision models and the need to protect smaller non-domestic consumers, particularly micro-businesses, we have continued to work with the Water Industry Commission for Scotland on various changes to the Market Code to ensure consumers get a fair deal from their service provider. We are keen to establish a robust customer focused framework, such as a Code of Practice, across licensed providers operating in Scotland to protect the best interests of non-domestic customers, particularly smaller organisations, who may not possess the same bargaining power as larger organisation.

Due to the pressures associated with the development of the SR21 process, we postponed our annual non-domestic conference this year, and are considering a UK-wide event which will explore a number of market related consumer-focused themes.

We have continued to work with industry stakeholders such as WICS and SPSO within the SR21 process to support the development of strategies that will help deliver Scottish Water's strategic outcome: 'We want to be a great wholesaler'. Scottish Water recognises that improvements within areas such as customer engagement and processes between the wholesaler and licensed provider, will deliver improved services for end users.

Progress and next steps

We will continue to support the development Scottish Water's Flourishing Scotland strategies to deliver excellence in wholesale provision, within the non-domestic market.

In 2019-20, we will publish an insight report, reviewing alternative service provision models, with recommendations to help protect consumers from poor business practices.

Responsive and ongoing work

Theme 4 – Hydro Nation

What we did

We continue to support the work of the Hydro Nation in Scotland, chaired by the Cabinet Secretary for Environment, Climate Change and Land Reform. Discussions between CAS and the Scottish Government prompted a stronger consumer focus at each meeting. Over the last year, CAS has shared insights from research and policy development related to consumer-focused principles and private water supplies, which were well received by members of the Hydro Nation Forum.

Progress and next steps

Hydro Nation stakeholder interest initiated an invitation for CAS to present our private water research findings at the World Water Day conference. This has initiated further engagement from organisations such as the Highlands and Islands University.

Theme 5 – Strategic capacity

The issue

Growth in housing and the need for water and wastewater infrastructure is likely to increase in Scotland. Furthermore, demographic trends indicate a population shift from the West to the East of Scotland, placing pressure on existing infrastructure and at times, making it necessary to enhance asset capacity to accommodate development.

What we did

The Scottish Government Strategic Capacity Group, of which CAS is a member, is currently reviewing how funding to meet the needs of future growth, is met by the industry. This includes identifying policy that fairly distributes the real cost of growth in terms of asset enhancement between paying customers and developers, and between current and future customers.

Progress and next steps

CAS awaits the decision of the Scottish Government on strategic capacity funding. We will continue to work with stakeholders to develop strategic capacity policy during 2019-20 to ensure that the consumer voice is strongly heard and that customer charges are fair.



Responsive and ongoing work

Theme 7 – Supporting consumer: consultation responses

CAS has responded to a number of consultations during 2018-19 addressing Ministerial policy and longer term direction for the industry, including:

SEPA's 'Sectoral plan for water and wastewater'

Following submission of our response, the final sectoral plan reflected a number of our views related to support for private water supply users, extracting energy from waste and using blue green infrastructure to mitigate extreme weather conditions and increased population centres. We believe that more can be done to increase consumer and community engagement to encourage more engaged and proactive involvement to protect the environment through their use of public services. We will continue to support SEPA and other stakeholders to develop effective strategies to develop more engaged service users.

Scottish Water's Strategic Projections

Scottish Water has a number of challenges over the next 25 to 30 years:

- Demonstrating and enhancing the wider public benefit it provides, in a manner consistent with its publicly owned status;
- Making the connections for people between the water infrastructure in their communities and the services they receive, so they understand and value Scottish Water and can link their use of services to wider societal benefits;
- Ensuring our water infrastructure is maintained and resilient for the long-term;
- Keeping water charges fair, affordable and stable.

CAS will continue to support the development of longer term strategies that will guide the industry through regulator periods to reach the overall vision and improve consumer outcomes.

Scottish Water's 'Draft SR21 Strategic Plan'

We encouraged Scottish Water to focus on ambitions and more tangible outcomes that would make a difference to consumers. Furthermore, we recommended the development of a community engagement framework, which is now nearly complete and will be tested during 2019-20 within four community pilots. We highlighted further opportunities for Scottish Water to work in partnership with both communities to identify additional social and environmental benefits during capital investment work, and also with other organisations whose work may compliment and add value to projects, for example, Keep Scotland Beautiful.

Scottish Government's 'Investing and Paying for Your Water Services in 2021'

Our consultation response broadly welcomed the measures set out in relation to customer charges and Ministerial direction. We acknowledged the tough decisions that the industry must make in response to changing demographics and climate change, and highlighted where further social benefit for consumers could be derived from developing clear strategies to demonstrate where it supports the delivery of national and international frameworks, such as the United Nation's Sustainable Development Goals, the Scottish Government's National Outcomes, and what more it requires to do to more fully meet these goals.

We called for an evaluation of proposed affordability measures and that the Scottish Government continues to work to identify more permanent means of targeting financial support to those that need it most.

The Scottish Government will finalise the Principles of Charging and Ministerial Objectives during 2019-20.

WICS's 'Review of the Retail Market – measures to protect customer prepayments'

Our work with WICS to review this issue has resulted in the introduction of new measures to increase the level of consumer protection around pre-payments. This is particularly for smaller organisations that are more vulnerable to financial risk.



Cross-Sector

In 2018-19, our cross-sector work covered a range of areas, but always with the aim of providing robust evidence that puts consumers first in the development of corporate, regulatory and government policy.

In 2018-19 we have used our cross sector expertise to advocate for consumers in a range of areas including consumer principles, registration of non-financial support services and gaining consumer insights through our annual consumer tracker survey. Much of the work detailed in the sections below follows these themes. Given the relatively slow pace of policy development in these areas we have continued to work on these areas over a number of years.

Last years highlights include:

- We provided written and oral evidence in November 2018, to the Environment, Climate Change and Land Reform Committee on stage one of the Climate Change Bill to advocate for consumers and ensure the appropriate support is there for people in vulnerable circumstances. The Scottish Government have also established a Just Transition Commission to ensure that the low carbon economy is delivered in a fair way – something which CAS supported.
- Off the back of our continued work on Consumer Principles, we have worked with Scottish Water to develop their own consumer principles and we will continue to engage with them as they implement this framework.
- We concluded our research on simpler registration for consumers in vulnerable situations. We published our report Making it Easy which reviewed the registration process for consumers in vulnerable situations and made a number of recommendations which have been taken forward by the Commission for Customers in Vulnerable Circumstances and the Scottish Government in their Energy Consumer Action Plan.
- We completed the third wave of our utilities consumer tracker survey allowing trends over time to be identified. The survey was undertaken with a sample size of 3000 Scottish consumers and aims to understand the experience of and attitudes to, the regulated markets over time.

Programmed work

CS1 Simpler Registration for Consumers in Vulnerable Situations

The issue

Many of us can be vulnerable at different stages in our lives; and when we are, we are likely to need water, light, heat, power and communication more than ever. In this country we can benefit from, and are entitled to receive, extra help and support from suppliers of essential services in the 'regulated' markets – particularly energy, water, communications, and also financial services. Many providers across a range of vital services offer forms of additional support such as providing bills in different formats or providing additional support during power cuts.

Given the complexity in relation to both support available and how consumers are registered, CAS saw that there was a need for investigating ways to increase the number of Scottish consumers registering for support, and to simplify the overall process for consumers.

Research and recommendations

In 2018 we commissioned research into how people in vulnerable situations can access Priority Service Registers (PSRs) and their awareness of, and experience of registering for PSRs. In March 2019 we published our report *Making it Easy: Simpler Registration for Consumers in Vulnerable Situations*⁴⁹. The report found that:

1. There is good practice and positive customer experience in this area – with significantly increasing registration numbers and corresponding uptake of non-financial support services in parts of some sectors – particularly energy.
2. However there is not yet an integrated approach across sectors, nor between essential service providers and the public sector, in ensuring that all those eligible and wishing to receive additional support are aware of registration, or of the services available, and that numbers registered are maximised.

The report also found that the percentage of consumers on Priority Service Registers in Scotland is lower than the rest of GB – making it particularly important that consumer awareness of registers in Scotland is increased and that the process is simplified.

The report also makes a number of recommendations:

Identifying and engaging with consumers in vulnerable situations

- Better consumer-facing information about support services focused on consumer needs, rather than around categories of vulnerability, asking questions such as 'what sort of help do you need?' rather than 'which of these categories do you fit into?'
- Sharing of good practice in identifying and engaging with consumers, including signposting of services between and across organisations and sectors; and getting out into the community.
- More widespread training of staff to identify consumers in need, drawing on examples of good practice.
- Closer collaboration and information-sharing between third sector, public sector and providers, particularly so that third-sector and public-sector organisations could easily signpost consumers to support from their essential service providers.
- More widespread gathering of consumer feedback, through which providers may uncover opportunities to enhance service quality further, and to respond more closely to the needs of consumers.

Simplifying the current process

- Putting procedures in place to support the sharing of information between organisations. It was stressed that any sharing of information should be predicated on clear and unambiguous consent being acquired from consumers. It was seen as essential that consumers are made aware of what information was being shared, who it was being shared with, and for what purpose.
- Simplifying the current registration process through a central resource. Rather than a single register, which may create a number of challenges relating to integration of data from numerous organisations, it was felt that a more

⁴⁹ https://www.cas.org.uk/system/files/publications/2019_03_29_cas_making_it_easy_simpler_registration_for_consumers_in_vulnerable_situations.pdf

Programmed work

practical and consumer-centred alternative would be a single registration process. This would involve a central resource through which consumers provide their details, and are then signposted towards the registers that best meet their needs.

- Testing the concept of a single registration process through area-based pilots, targeted in areas with high proportions of people in vulnerable situations or in areas that experience or are likely to experience high levels of supply interruption.

Data cleansing

- Improved approaches to data cleansing to ensure that consumer details are as up to date as possible, including removing deceased consumers from their registers and other databases, and removing those who are no longer in a vulnerable situation.

We recommended that a dedicated public/private sector working group should be convened to drive forward simpler registration for consumers in vulnerable situations, and to co-ordinate a number of strands of the other separate recommendations.

Progress and Next Steps

Our recommendations were noted by Scottish Water who agreed to consider them closely. Our recommendations were also taken forward by the Commission for Customers in Vulnerable Circumstances who published their report in May 2019 – after we presented our findings to the commissioners.

Our recommendation for a simpler registration process was also taken forward by the Scottish Government in their Energy Consumer Action Plan⁵⁰ and we look forward to working closely with them as this proposal develops to ensure that the sign up process is simplified for people and importantly that those who need additional support can easily access it. As noted in our 2019-20 workplan, supporting consumers in vulnerable circumstances will continue to be a focus of our ongoing work.

⁵⁰ <https://www.gov.scot/publications/energy-consumer-action-plan-putting-consumers-heart-scotlands-energy-transition/>



Programmed work

CS2 Consumer Principles

What we did

Following research we carried out in 2017 into the prevalence of consumer-focused frameworks across regulated industries, we have worked with the Customer Forum and Scottish Water to deliver a set of 'customer focused principles', based on CAS' seven consumer principles. These will guide Scottish Water's decision making, and will influence its culture, behaviour and performance to create a stronger consumer focus internally that delivers outcomes that meet the needs of those that use its services.

Progress and next steps

Following discussion and publication of our report, the Consumer Council for Water has also developed internal consumer-focused principles for staff to test policy and practice. Furthermore, in partnership with Scottish Water who shared their experience of developing customer principles, we have been involved in discussions with the Consumer Council for Northern Ireland and Northern Irish energy suppliers to explore establishing a set of principles that would provide a stronger basis to improve outcomes for energy customers

CS3 Annual Consumer Tracker Survey

The issue

The third wave of our utilities consumer tracker survey (previously the 'CFU Scottish consumer tracker survey') was completed in spring 2019, allowing trends over time to be identified. The survey was undertaken with a sample size of 3000 Scottish consumers and aims to understand the experience of and attitudes to, the regulated markets over time.

Research

Some findings from the 2018-19 survey included:

- The proportion of respondents who would recommend their energy supplier to others increased significantly between 2017 and 2018 and has remained at a similar level in 2019.
- The proportion of respondents who have switched in the last 12 months rose from 21% in 2017 to 25% in 2018 and 26% in 2019.
- Use of the post office has remained high, with only 2% of respondents in 2019 saying they don't use the Post Office at all.
- Respondents are more likely now than in 2017 to support an increase in charges to fund improvements to the water and sewerage network.

Progress and Next Steps

We plan to publish a report compiling the results of the tracker survey over the last three years. This will allow the utilities team at CAS and other interested stakeholders to identify where consumer issues have increased or decreased. We'll use these findings and analysis to represent the interests of consumers with companies, regulators and governments.

Responsive and ongoing work

Consumer and Climate Change

The Issue

The Climate Change Bill is going through the Scottish Parliament and this commits Scotland to some of the most ambitious carbon reduction targets in the world. Our 2017-18 report *Changing Behaviour in a Changing Climate*⁵¹ laid out some of the implications for consumers as Scottish Government Policy evolves to meet climate targets. As noted in the report some of these implications require one off changes that may have a financial impact and other implications require habitual behaviour change.

What we did

We advocated for consumers giving oral and written evidence to the ECCLR committee at Stage 1 of the Bill in November 2018. Our response made a number of policy recommendations:

1. As the proposals and targets outlined in climate change plans and strategies will now need to be delivered, there is immediate need for the Scottish Government to put consumers'

behaviour at the heart of policy.

2. The appropriate financial and non-financial support is needed to facilitate change.
3. A large-scale campaign of public communications and engagement is needed to secure popular support and 'buy-in' for Scotland's climate change targets
4. Further clarity will need to be provided to delivery organisations, local authorities and consumers themselves to understand the scale of behaviour change needed, as well as the most appropriate means to achieving this.

Progress and next steps

The main recommendations of the ECCLR committee stage 1 report echo recommendations made in our report *Changing Behaviour in a Changing Climate*⁵² – about supporting the most vulnerable in the transition to a low carbon future.

51 <https://www.cas.org.uk/publications/changing-behaviour-changing-climate>

52 <https://www.cas.org.uk/publications/changing-behaviour-changing-climate>



Appendix: Expenditure 2018-19

The costs incurred to deliver the activity detailed in this annual report are shown below. The Utilities team funding comes primarily from levies on the three industries we cover.

2018-19 Estimated Expenditure By Sector*					
	Energy Sector	Post Sector	Water Sector	X-sector	Total
Programme	220,551	89,948	215,668	91,161	617,329
Staffing & Related	120,557	77,839	109,598	30,911	338,904
Total	341,108	167,787	325,266	122,072	956,233

**These are estimated costs only for 2018-19 since this is being published before final accounts are approved.*

Programme refers to costs associated with our research and advocacy work, whereas staffing and related costs includes items such as salaries, national insurance, pension contributions, and the costs the wider organisation incurs in relation to CAS staff.

As – unlike our counterparts in England and Wales – CAS also covers the water industry, when considering the cross-sector programme we look at each project on an individual basis. In doing so, we seek to allocate funding in proportion to sectoral relevance.

www.cas.org.uk



@CitAdviceScot



CitizensAdviceScotland

The Scottish Association of Citizens Advice Bureaux –
Citizens Advice Scotland. Scottish charity (SC016637) and
company limited by guarantee (89892)

Broadside, 2 Powderhall Road, Edinburgh EH7 4GB
Tel: 0131 550 1000

