



Response to Consultation paper CoP Consumers in Vulnerable Circumstances

September 2023

Contents

Contents.....	2
1. Introduction.....	3
2. Delivery of Code of Practice	3
2.1 Definition of Vulnerability	3
2.2 Mandatory Code of Practice	3
2.3 Industry Working Groups.....	4
2.4 CoP required measures	4
2.5 Customer Care Registers.....	5
2.6 Proposed Licence Conditions	6
2.7 Monitoring and Compliance	6
2.8 Timelines for Implementation.....	6
2.9 Appropriate Resources and Allowances	7

1. Introduction

Evolve welcomes the opportunity to respond to the Utility Regulator's (UR's) Consultation on Best Practice Framework Proposals Code of Practice for Consumers in Vulnerable Circumstances. We agree with the Utility Regulator's intention to address gaps in service provision for utility consumers in vulnerable circumstances within Northern Ireland and that those consumers are identified, adequately protected, and receive an appropriate level of support from the regulated sector.

We support the implementation of the high level principles identified by the UR and the proposal to underpin these with required measures. We agree that this is an appropriate way to ensure that utility companies provide suitable support to consumers in vulnerable circumstances.

We acknowledge that the UR has included some amendments to the original measures, however we believe the required measures will need further refinement to ensure that their implementation is both practical for utility companies and cost effective for consumers. As we mentioned in our response to the previous consultation, we firmly believe that any requirements placed on utilities in NI should be appropriate and proportionate given the size and scale of the NI market and must be commensurate with the level of financial support provided to the companies. We therefore believe that the working groups will be critical in refining the requirements of the Code of Practice to enable utility companies to develop solutions which deliver the best outcome for consumers.

2. Delivery of Code of Practice

2.1 Definition of Vulnerability

Evolve support the URs decision to implement the new wider definition of vulnerability:

'A consumer is deemed vulnerable when their personal characteristics or circumstances reduce their ability to engage effectively and achieve fair outcomes. A vulnerable consumer is significantly less able to protect or represent their interests and significantly more likely to suffer detrimental impacts on their health, wellbeing or finances.'

We can confirm that the updated definition of vulnerability is already embedded in our organisation at all levels and underpins our daily interactions with all consumers. We agree that the definition should be implemented through a licence modification.

2.2 Mandatory Code of Practice

We support the proposal to implement a mandatory Code of Practice for consumers in vulnerable circumstances. We welcome the additional clarity that will be provided

through the implementation of the high level principles and the complementary measures and believe that they should form the basis of the Code of Practice.

2.3 Industry Working Groups

Evolve agree that establishing industry working groups is absolutely necessary to support the delivery of the proposals set out in the consultation paper. We note that the UR proposes that the companies develop industry procedures that comply with the Code of Practice through the working group. We see that the principles and supporting measures are effectively those procedures for the companies and therefore we are not convinced that industry procedures are necessary given the detail likely to be provided in the Code of Practice.

We believe that the working groups could be more effective by focusing on sharing best practice and developing plans in relation to how the industry can deliver a care register which is fit for purpose rather than spending time delivering industry procedures which are likely to mirror the Code of Practice.

We are also concerned that Evolve do not have the level of resource required to input to the working groups in a meaningful way. It will be necessary for the UR to consider how additional resource and allowances can be provided to facilitate these requirements, particularly given the challenging and ambitious timelines that are being proposed.

2.4 CoP required measures

We see the value in underpinning the high-level principles with more detailed required measures as it will bring clarity to utility companies in terms of the expectation in relation to each principle. However, we are concerned that, for some of the proposed measures the practicalities and operational challenges that will be faced by utility companies need further consideration.

We are also concerned that a cost benefit analysis has not been carried out and for some of the proposals the cost to implement across each utility company and therefore the impact on all consumer bills could outweigh the benefit for vulnerable consumers.

We have previously provided comments on the individual measures, therefore we have not repeated those comments here. However, we reiterate our concerns in relation to availability of resources and allowances to ensure that the companies are suitably supported under price control to deliver the most appropriate measures to protect vulnerable consumers.

It is clear that the practicalities of implementing the measures will need to be discussed by the utility companies at the working groups and that the UR and the CCNI will need to be involved in this process, so that expectations in terms of requirements can be determined. This will include requirements that are placed on each of the DNO's and gas suppliers, but also the requirements that will be undertaken by the customer care register holder. It will be necessary to allocate sufficient time and suitable resources to undertake this detailed work. We do not believe it would be

appropriate for the UR to undertake their statutory consultation process in relation to the licence modification until this work has been completed and agreed by all parties.

2.5 Customer Care Registers

The proposal to reduce the number of customer care registers in NI from nine to three is a positive step for the industry. While we support this proposal, we have some concerns in relation to how the customer care registers will be implemented for the gas sector.

The consultation document sets out the intention for one DNO to become the customer care register owner and we believe that the practicalities of this need to be carefully thought through to avoid the potential for unnecessary confusion for new and existing customers to the network. Evolve are a relatively new gas network and our marketing strategy is very much focused on raising brand awareness. Therefore, we cannot support processes which would effectively frustrate this activity. We feel that it will be necessary to work through practical issues such as this in the working group to ensure that the concerns of all companies can be addressed.

The reduction in the number of customer care registers with the ultimate goal of one customer care register for Northern Ireland is a massive undertaking. To reduce from nine to three will involve a detailed review of existing systems, the implementation of a new system, additional resources and additional allowances for the gas companies. While we support this proposal, we are concerned that if each industry (gas, electricity, and water) undertake this work independently, there is also risk that the alignment of the three systems at a future date may not be possible and it will likely result in stranded assets as eventually just one system will be required when the nine customer care registers are reduced to one.

Evolve believe there could be a significant benefit in taking a more holistic approach from the beginning to ensure that each industry's needs are considered and that a suitable overall plan for delivery can be developed. To ensure that any plan that can incorporate the needs of the 3 industry's and support the alignment of changes, all companies will need suitable resources and funding to consider requirements. This will most certainly require a much greater timeline than that which the UR has envisaged within this consultation, but would ultimately reduce the risk in terms of the overall cost to consumers in the longer term.

We welcome the URs engagement with the ICO in relation to the proposals for the customer care registers. We are particularly concerned about holding information in relation to consumers where we do not have a legal basis to do so, therefore it would be helpful if the UR shared details of this engagement with the utility companies. This will ensure that there is no duplication of efforts by the companies and help determine if there are additional areas which companies might need to engage directly with the ICO on to ensure compliance with the regulations.

We are also keen to flag the challenges which might arise around developing and implementing data sharing methodologies. Engaging the five gas companies to develop data sharing methodologies is likely to require a much longer timeline than the

six months which has been proposed by the UR. The companies will need to understand the current arrangements which might be in place, develop new processes (for example between a DNO and the customer care register holder), understand the system requirements, specify and develop and system changes and make sure the necessary legal agreements are developed and implemented to support the new arrangements. These are issues which need to be addressed through the working groups to ensure all requirements are agreed and that a more appropriate timeline for delivery can be developed.

2.6 Proposed Licence Conditions

Amending existing licence conditions and adding a new licence condition is an appropriate step to place obligations on utility companies. We agree that, given the differences between each of the industries it is appropriate to tailor the licence modifications for each group of utility companies. We would encourage the UR to consider the timing of the licence modifications, to ensure that they are aligned with the outputs from the working groups.

2.7 Monitoring and Compliance

Evolve agree with the need to implement robust monitoring and compliance for the Code of Practice, and welcome the opportunity to provide further feedback on the proposals. We consider that the best approach to compliance and monitoring is to implement a solution which is not overly onerous on the companies but ensures that the UR has adequate oversight of the measures in place and the performance of the companies against each.

The proposal to incorporate reporting requirements into the existing REMM reporting appears to be a practical solution, however we are keen to ensure that the requirements do not become over complicated and that there is no duplication of efforts for the companies. We would therefore be happy to engage with the UR further in this area to further refine the proposals.

2.8 Timelines for Implementation

We welcome the inclusion of timelines within the consultation paper as they provide a useful guide to the key milestones for the utility companies. However, we are extremely concerned that the dates assigned to each milestone are simply not feasible and will require further consideration to ensure more realistic plan for implementation can be achieved. Without an adjustment to the proposed timelines, it will not be possible to deliver best practice for consumers in vulnerable circumstances.

The proposal to agree industry procedures during Q4 2023 and Q1 2024 will not allow sufficient time for companies to engage effectively to develop procedures which will adequately support the industry. Equally the timeframes placed on utility companies to ensure that they are fully compliant with the new requirements following the licence modifications are extremely challenging given that allowances have not been agreed and the process for agreeing the allowances with the UR can take a number of months.

2.9 Appropriate Resources and Allowances

It is important that the UR ensure that each utility company is provided with appropriate allowances under their respective price controls so that the companies have suitable resource in place to implement systems and processes that will be required to facilitate the requirements of the code of practice.

We are particularly concerned about the need to provide suitable resources by Autumn 2023 to represent Evolve at the industry working groups, undertake a gap analysis of the requirements and engage both internally and externally to implement the required measures. As raised in our response to the previous consultation the timing of the UR's proposals did not align with the submission of the GD23 business plan. Therefore, no allowances have been included for this work. Evolve will not be able to undertake additional workload in relation to the Code of Practice for consumers in vulnerable circumstances without additional allowances being agreed.

In addition, there are many of the measures which include considerable ongoing costs for Evolve, such as partnerships with charities. These organisations will require ongoing financial support from Evolve to facilitate the arrangements which are being proposed under the new measures. While we agree that there could be benefit in implementing such arrangements, we do not have adequate allowances under price control to allow us to do so.

We look forward to engaging with the UR further on this programme of work.