

Consumer advocacy at Citizens Advice

Annual report of consumer activities 2019/20



**citizens
advice**

Foreword

Given the events of recent months, last year feels like a long time ago. But as we all adapt to the implications of COVID-19, it is still essential to reflect on the successes and lessons of the past.

Once again I am impressed with the breadth and depth of change Citizens Advice has achieved for consumers across markets. 2019-20 marked our fifth year as the statutory advocate for consumers of energy and postal services. Our work translated into substantial change for consumers.

£ Following our super-complaint, regulators have identified a **£3.9bn annual cost of the loyalty penalty**. Measures that will deliver a **£318mn saving** have been introduced, but there is much more to do

🏠 Work in energy has centred on the need to deliver protections fit for the **radically different net zero world** we must move towards, with the recognition that heat networks should be regulated being a major early victory

✉ Significant progress has been made in the postal market ensuring this vital service meets the needs of all those that need it, **including 6 of the biggest parcel companies making changes to meet accessibility needs for disabled people**

A world shaped by pandemic and recession will be hard for consumers. Already many challenges are emerging. Significant debts have accumulated and many people will struggle to pay these down. Questions of fair access to the digital economy will persist and could be accentuated as the shift to online work, shopping, and leisure accelerates.

There is also rightly renewed pressure for organisations to address systemic inequalities. This extends to our work fighting for consumers and we will seek to embed the interests of equity, diversity and inclusion ever more deeply into the work we do.



James Plunkett

Executive Director of Advice and Advocacy

Our year in numbers

£3.9 billion

The annual cost of the loyalty penalty, found by regulators following our super-complaint

£318 million

The amount measures announced by regulators so far will save consumers

£255 million

the amount of bad debt left behind by failed energy suppliers, that will have to be paid for by the customers of other suppliers

Half

of survivors of domestic abuse have their post intercepted by the perpetrator

In the last 10 years domestic abuse survivors have lost

£7.1 billion

as a result of perpetrators intercepting their post

59%

of online shoppers have experienced at least one problem with parcel delivery in the last 12 months

£24.1 billion

The amount we estimate consumers have overpaid for energy, water, broadband and telecoms over the past 15 years as a result of overly generous price controls

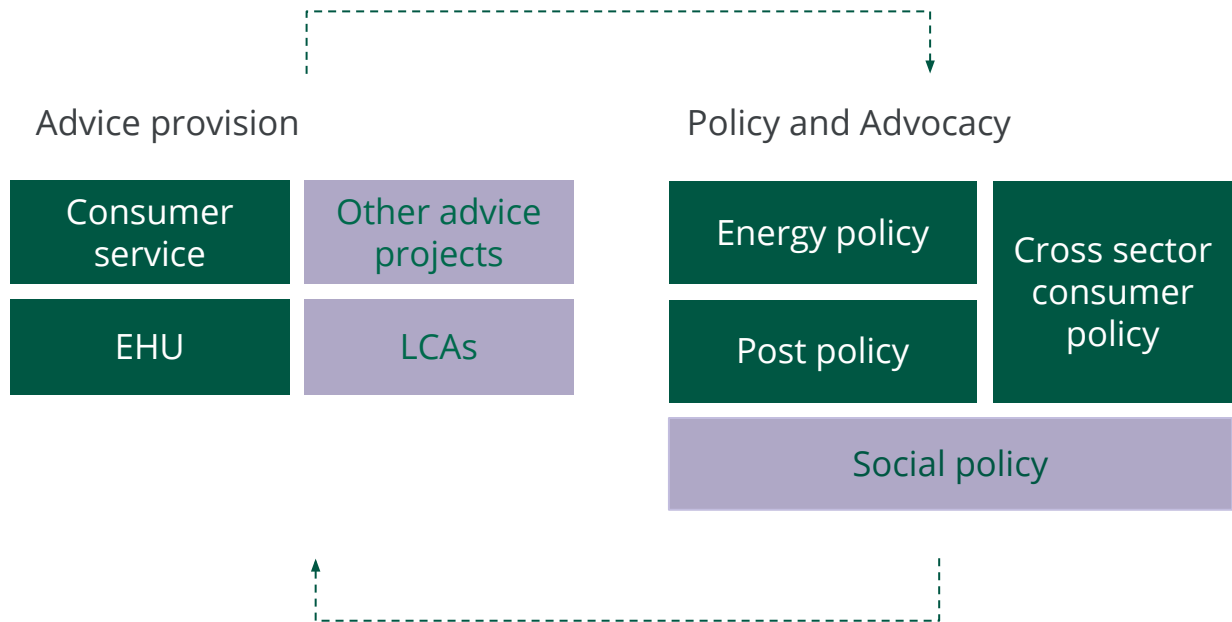
How our advice and advocacy roles support each other

- Statutory role
- Non-statutory role

Our **Consumer Service** gives advice on all consumer issues, with specialist advice on energy and post issues.

The **Extra Help Unit (EHU)** is a specialist support service for vulnerable consumers. For more information, see page 17.

Our **local Citizens Advice offices (LCAs)** provide face-to-face advice on a range of issues in approximately 2,300 locations across England and Wales.



Our policy and advocacy work gives us insight into the organisations and systems consumers deal with and into the emerging risks for consumers.

This helps us provide advice and support that is up-to-date and effective.

Our advice provision gives us unique insights into the problems people face, with real-time data.

We use this to advocate for evidence-based policy changes that deliver the biggest improvements in outcomes for consumers.

Ten key projects

In our energy, post and cross-sector consumer advocacy 2019/20

Ensuring the parcels market works for consumers

Parcel deliveries are increasingly important for households to access essential items. During the pandemic lockdown parcels have become a lifeline for many.

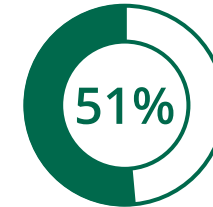
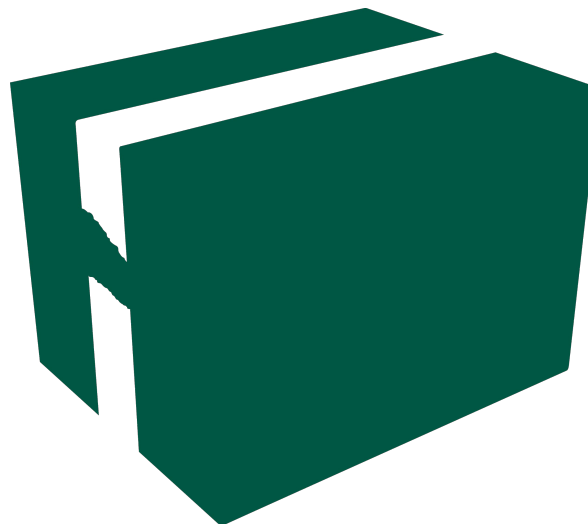
But unlike more established essential services such as water or electricity, the parcel sector isn't as closely monitored or regulated. This means people aren't always protected against sharp practices and can find it difficult to fix things if they go wrong.

In 2019 we published **research** which surveyed over 7,000 consumers. We found although the majority of parcels are delivered successfully, many experienced problems:

- ❗ **6 in 10 (59%) online shoppers** have experienced at least one problem with parcel delivery in the last 12 months
- ❗ UK consumers lost at least **£85 million** because of parcel problems in the last year
- ❗ People spend an average of **2.1 hours** trying to fix parcel problems

Customers experience problems at every stage of the customer journey

- ⓘ Consumers need better delivery information when ordering online
- ✗ More than half consumers experience problems with delivery
- ⏸ These problems impact people's lives
- ☹ It's too hard for consumers to fix problems



Half of all people are more reliant on parcel deliveries than before the coronavirus outbreak.

The scale of these problems indicates this vital market isn't working properly.

- We called on the Competition and Markets Authority to review the parcels market and make sure it meets the needs of consumers.
- We worked with Citizens Advice Scotland and the Consumer Council for Northern Ireland to create a guide to support parcel operators to create better complaints handling processes. This **best practice guide** is based on our research with consumers and our conversations with parcel operators.

A simple solution to stop post enabling domestic abuse

Survivors of domestic abuse face significant harm because their post isn't secure and their address is regularly disclosed.

This year we commissioned a survey of over 1,000 adults who had experienced abuse from a partner or family member. We also supplemented this with in-depth interviews with professional advisers and with survivors of domestic abuse.

Our **research** found half of survivors of domestic abuse have their post intercepted by the perpetrator. In addition, 40% of survivors who've left home have had an agency disclose their new address to the perpetrator.

This had a significant impact in a range of areas



Financial

Survivors have lost **£7.1 billion** in the last 10 years as a result of perpetrators intercepting their post.



Practical

Survivors miss appointments with essential services because perpetrators hide their letters.

1 in 2 survivors who have left the home avoid engaging with a service because they don't want to give out their address.



Safety

71% of survivors who had their new address disclosed by an agency said their safety was compromised as a result.



Wellbeing

Over half felt stressed or anxious as a result of having their post intercepted.

► To address this problem we made 2 key recommendations



The government should invest in an 'Address & Collect' service, provided at post offices, to ensure people in unsafe or untraditional living situations have equal access to post



The Information Commissioner's Office should investigate the significant number of data breaches, highlighted by this research, that put survivors of domestic abuse at serious risk



In 2020/21 we will continue to work with BEIS and other stakeholders on developing an Address & Collect service in post offices

Pushing for equal access to parcels for disabled people

Online shopping and home deliveries can be essential for many disabled people. But when parcel deliveries go wrong, disabled people face significant harm.

Even in ordinary times, for many disabled people online shopping is their only option. This could be because physical shops aren't accessible, travel is challenging or a busy store environment triggers stress.

We know that home deliveries aren't working for disabled people.

 Our research shows **2 in 3 disabled people** have experienced a problem with parcels in the last year.

Problems can include:

- ❗ Missing deliveries because they're not given enough time to get to the door
- ❗ Not being able to retrieve a parcel because it's left in an inaccessible location
- ❗ Feeling rushed or anxious when signing for parcels

Disabled people told us that their problems with parcels can have a range of practical, emotional and physical impacts. Worries or concerns around the delivery can cause anxiety. For some disabled people, stress can make their physical symptoms worse.

Missing deliveries in general is just a constant reminder that you have a disability and how useless you can feel being disabled.

Antonia

Our research shows many of these issues with home deliveries arise because disabled people can't tell delivery companies about their accessibility needs in a simple way.

We published a **video, blog, and report** to explain our findings and recommendations. We undertook a **social media campaign** to raise awareness of the issue.

During the Covid-19 pandemic we issued a **briefing for parcel companies** on how to support at-risk groups. We asked parcel delivery companies to do 2 things:

- Enable disabled people to specify their accessibility needs and pass these on to the driver making the delivery
- Clearly publish accessibility information about their Pick-Up and Drop-Off points online

▼
In response to our research

- ✔ **7 out of the biggest 11 parcel companies** have committed to making these changes

▼
In 2020/21 we will continue to check in with POL on how this new process is working and monitor improvements to the accessibility of the network.

Picking up the pieces of energy supplier failure

Many new entrants to the energy supply market in recent years have been ill-prepared to operate in a complex sector.

- ❗ **17 energy suppliers failed** between January 2018 and March 2020
- ❗ Over **1 million consumers were affected**
- ❗ This had an estimated **£255 million** cost to consumers

These costs include suppliers' unpaid industry bills, and there can be a cost to protect customer credit balances. These costs end up on all consumers' bills. Our **Picking up the pieces** research quantified these costs.

The research also showed the key protection gaps for customers of failed suppliers. When collecting debt, administrators of failed suppliers aren't required to follow Ofgem rules on back-billing or on assessing ability to pay.

In response to supplier failures, we worked with the regulator and affected suppliers to identify and help resolve emerging problems. This meant consumers were able to access up to date advice and issues impacting people could be fixed quickly.

- 📄 **2016 July** We respond to Ofgem consultation on dealing with supplier insolvency, calling for protection of credit balances, and asking for strengthened entry requirements.
- ✕ **2016 November** GB Energy Supply fails, the first supplier to do so since 2008.
- 📄 **2018 July** Our response to changes to licence conditions for the supplier of last report (SoLRs) warns of outstanding issues, including insufficient protections for consumers owing money to a failed supplier and whose debts subsequently pass to an administrator.
- ✅ **2019 January** We respond to the first phase of the supplier licensing review, calling for stronger entry criteria for suppliers. Following this Ofgem introduced more stringent checks.
- 📄 **2019 April-July** We published a good practice guide on SoLR for suppliers and administrators. We published **Picking up the pieces**.
- **2020 June** Ofgem issues statutory consultation on the second phase of the Supplier Licensing Review on protections against poor customer service and financial instability. We want to see steps taken to reduce the costs to consumers from failed suppliers.

Shaping the regulation of heat networks

Heat networks are where homes get their heat and hot water from a central source rather than having their own boiler. In Great Britain today, at least 450,000 people live in a property served by a heat network. This is set to increase as we shift towards lower carbon heating sources. However, unlike the gas and electricity market, heat networks are unregulated.

Citizens Advice has long-standing concerns about the lack of protections for customers of heat networks. Our research and contacts to our consumer service indicates that, compared to customers on gas or electricity networks, heat customers experience a worse service, and are at greater risk of detriment. These consumers are more likely to be unaware of what they are paying or what their bills cover. This is compounded by the fact that heat customers cannot switch supplier.


2015-16 We started work to understand the consumer experience of heat networks. We met with heat suppliers and were invited to sit on the steering committee of Heat Trust, the voluntary trade code.

2016-17: We began publishing our own data on heat networks and working on collaborative research projects. Based on this, **we called on the Competition and Markets Authority (CMA) to investigate heat networks.**


2017-18: We took part in the heat networks task force set up by the Association of Decentralised Energy, the trade body. We also looked into information and advice provided by heat network providers.


 **December 2017** CMA announces market study into heat networks.

2018-19: We looked into **consumer expectations of heat networks** and how prices are explained to customers.

 **July 2018** CMA recommends that heat markets should be regulated

2019-20 We published:

 **Learning the lessons**, exploring the experiences of people on heat networks who have a prepayment meter

 **Keeping warm**, setting out a road map for the future of heat, outlining the actions the government needs to take to ensure people are protected in the move to low-carbon energy.

We continue to help shape regulation through our participation in the BEIS stakeholder group for the draft consultation on regulating heat networks.

2020/21: We will continue our work on influencing the regulation of heat networks, with a focus on introducing a statutory consumer advocate for heat customers.

Putting consumers at the heart of the net zero transition

Much of the debate over the road to net zero focuses on the costs and benefits of different technologies. What has often been missing is the central role the consumer will play in this transition.

Decarbonisation of the energy sector has, to date, not required people to make many changes to their lives. It will soon enter people's homes as new heating options, smart devices and business models see wider uptake.

There is a real risk that those that can't engage with the future energy market will share a disproportionately high burden of the costs of decarbonisation. New protections are needed to make sure the market works for everyone. This year, Citizens Advice has been at the forefront of shaping that conversation.

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Our research **Future for All** explored emerging supply models - like time-of-use tariffs, peer-to-peer trading and energy as a service. It quantified the barriers consumers will face in adopting the supply models and recommended policy solutions to overcome them.



In **Zero Sum**, we published polling on what consumers know and think about the challenge of reaching net zero. It outlines how government and regulators should work together to create a net zero consumer protection promise to help consumers overcome these challenges.



Our **Stuck in the Middle** report considered the increasing role of third-party intermediaries (TPIs) in the energy market. It provided legal analysis to show the gaps in protections that users of these services face. We also carried out workshops to understand how to build consumer confidence in these services.



These reports have been widely welcomed and cited. **Future for All** was cited in Ofgem's half-hourly settlement work. **Stuck in the Middle** was welcomed by Ofgem, and the Energy Ombudsman acknowledged the need for better protection for TPI consumers.

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In the coming year we will build on this work with several pieces of qualitative research these will help us understand:

- the support consumers need to engage with net zero related changes to their homes
- what action, from government and other stakeholders, is needed to deliver this support
- how to address the particular barriers faced by groups of consumers, including those living in the private rented sector and the digitally disengaged.

The loyalty penalty: an update

In September 2018, we submitted a super-complaint to the Competition and Markets Authority (CMA) about the £4bn loyalty penalty people pay across 5 essential markets.

In its response to our super complaint, the CMA agreed with our findings and had found damaging practices by firms which exploit unsuspecting customers. The CMA said it wanted to see urgent action.

This year we:

- Found 77% of UK consumers pay a penalty for their loyalty
- Showed how home insurance companies make 100% of their profits from the loyalty penalty
- Submitted written evidence to the Public Account Committee's inquiry on Consumer Protection.



The Committee agreed that although regulators have traditionally worked on the basis that competition will lead to the best outcomes for people, this isn't always the case.

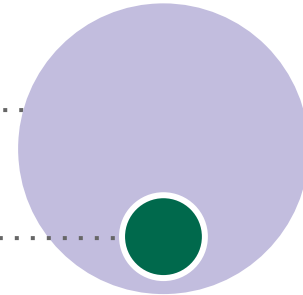
Progress made since the super-complaint

Regulators' estimates of the loyalty penalty

£3.9 billion

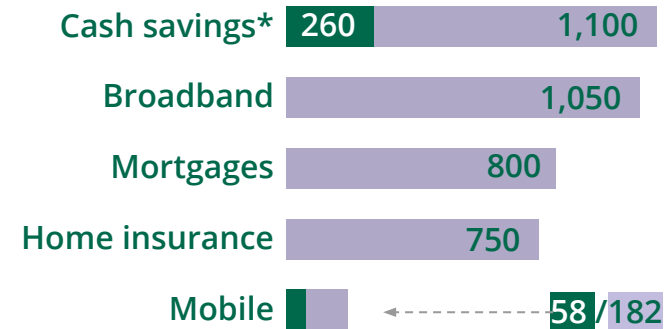
How much current proposals will save consumers

£318 million



By sector

Loyalty penalty and expected savings (£ million)




*Citizens Advice analysis of FCA data

In broadband, all major providers have made voluntary commitments, but Ofcom has not yet said how much this will save loyal customers.

In mobile, every mobile phone company apart from Three has made a voluntary commitment to reduce or eliminate the handset loyalty penalty. But, we estimate this will only address a third of the harm Ofcom identified.

While progress has been made in the cash savings market, more needs to be done to tackle the problem in the insurance and mortgage markets.

Delivering better value infrastructure

 **Around a quarter of a typical dual fuel energy bill relates to the costs of the pipes and wires that bring it to our homes.**

We've been deeply involved in influencing the development of the next generation of price controls, RIIO-2, to ensure these networks offer consumers high quality service and good value for money.

In 2019/20 transmission and gas distribution companies gathered evidence for their business plans. During this year:

- **We frequently met with network companies to discuss the development of their plans**

Each company had to set up a **user or customer engagement group**. We sat on these groups for 4 different networks (3 out of the 4 gas distribution groups and the system operator group). This allowed us to interrogate the companies' evidence and proposals.

We presented our evidence of the energy market and consumers' needs to all of the customer engagement and user groups.

- ✓ Our challenges on these groups helped shape better outcomes and secure more efficient costs for consumers

- **We participated in Ofgem's RIIO-2 Challenge Group**

This compared and scrutinised the network company draft and final proposals and provided an independent view of the quality of the company plans.

- **We helped encourage others to feed into the process**

We published a blog looking at how people or organisations with views on the network companies' draft business plans could contribute to Ofgem's **open hearings**.

- **We also gave evidence to the CMA about the National Air Traffic Control price control appeal.**

Some of the issues raised in this appeal are common to many price control methodologies. Our submission focussed on areas where the CMA could set an important precedent for future energy price controls.

- ✓ Ofgem **confirmed in May 2019** it would reform its approach to calculating the next round of network price controls, pointing to lower company returns.

This could cut over £6 billion from the cost of capital passed on to consumers over the course of RIIO-2

Monopoly Money

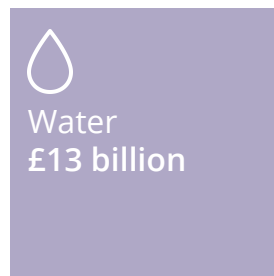
This year we published our report, **Monopoly Money: How consumers overpaid by billions.**

This built on our work on energy price controls to take a wider view of the rate of returns across water, energy and broadband monopolies over a 15 year time period.








There have been welcome signs that regulators are moving towards making decisions that favour consumers. For example, in water the cost of capital has been set at the lowest level in regulatory history, and Ofgem has announced that its future price controls will deliver significantly lower returns.

Our research identified how regulators made errors in their financial models, such as over-estimating the cost of debt, for many years across these markets. We found that people have ended up overpaying for network costs as a result of regulators agreeing generous price controls for these sectors.

We estimate excess costs to be £24.1 billion over the past 15 years.



* In the period 2014-2018

- 2015  Many happy returns?
- 2016
- 2017  Energy Consumers' Missing Billions
 Ofwat publishes final methodology for PR19
- 2018  Ofgem finalised framework for RIIO-2
- 2019  Ofwat publishes final determinations for PR19
 Monopoly Money
- 2020  Ofgem publishes final determinations on the price control allowances for Transmission and Gas Distribution

Introducing minimum standards for people with mental health conditions

In its April 2018 green paper on modernising consumer markets, the government told regulators to look into the benefit from introducing cross-sector minimum standards of support for people with mental health problems.

This year we carried out research which showed how minimum standards in essential markets could achieve better outcomes for people with mental health problems.

The research had 3 stages:

1. Developing a set of support options

This involved qualitative research, polling, interviews with our advisers, customer journey mapping and desk research





2. A 3 stage study with people who have experienced mental health problems

3. Testing the support options with stakeholders in essential service sectors

This included the sector regulators, providers and ombudsmen.

Based on this research, we recommended minimum standards be introduced across **energy, water, telecoms and financial services**.

The recommendations were grouped in 4 areas. These are shown with one example recommendation.:

-  **Debt management** Providers should set up proactive debt support if customers miss consecutive payments
-  **Safety net** Providers should make it easy to pause and restart third-party support online, on the phone or on an app
-  **Minimum disruption** Advance notice of outages and prioritisation of alternative support for people with mental health problems
-  **Accessible service** Providers should offer customers at least 2 different communications channels

The research was welcomed by stakeholders, including BT and Western Power Distribution. Ofcom included the majority of our recommendations in their draft vulnerability guidance and consulted us on their debt work. The FCA integrated elements of our report into their draft vulnerability guidance. In response to this and our work on the loyalty penalty, Virgin Media has promised to move 100k vulnerable customers onto the best deals the firm offers.

Other consumer projects

Our energy, post and cross-sector consumer advocacy

Delivering specialist energy assistance and support

Big Energy Saving Network

The Big Energy Saving Network (BESN) is a community outreach project targeted at consumers in vulnerable situations and the frontline workers who assist them.

Consumers advice is delivered by a network of over 170 Energy Champions, and training to frontline workers is provided by 19 Regional Energy Leads. The Champions and Regional Leads are based in local community groups and charities across Great Britain.

Between October 2019 and March 2020:

- Over 18,000 consumers received advice from a BESN Champion.
- 42% received some form of one-to-one advice.
- 90% of consumers feel that the advice helped them understand how they could make their home more energy efficient.
- 26% said that they had taken action to switch to a better deal through attending a BESN event.
- Almost 4,500 frontline workers were trained by BESN Regional Energy Leads.

- As the service is primarily delivered face-to-face, COVID-19 severely impacted delivery in March. We expect that had this not been the case, we would have delivered advice to over 19,000 consumers and trained over 6,000 frontline workers.

Big Energy Saving Week

Big Energy Saving Week is a national campaign to help people cut the costs of their energy bills and get all the financial support they are entitled to.

The week focuses on raising public awareness of how to save money on energy costs by switching energy supplier or tariff, accessing discounts or grants, and making homes more energy efficient.

This year we hosted over 500 events, helping 18,459 people to save money on their energy bills. Big Energy Saving Week took place between 20 and 26 January 2020.

Extra Help Unit

The Extra Help Unit is a specialist team of caseworkers investigating energy and post complaints on behalf of consumers in vulnerable situations. The service is telephone based and covers the whole of Great Britain, helping domestic and micro-business consumers.

In the year from April 2019 to March 2020:



We dealt with **15,114** cases



This was **up 12%** on last year



We got **£1.9 million in redress** for consumers

The Ask the Adviser service - for advice agencies who need specialist support - was consulted 3,600 times.



I would say that it's the best service I've ever had. They were kind, honest people

Quote from a consumer

Responding to the pandemic

The consequences of coronavirus will be felt by consumers for years. However, the immediate impacts were felt in days or hours.

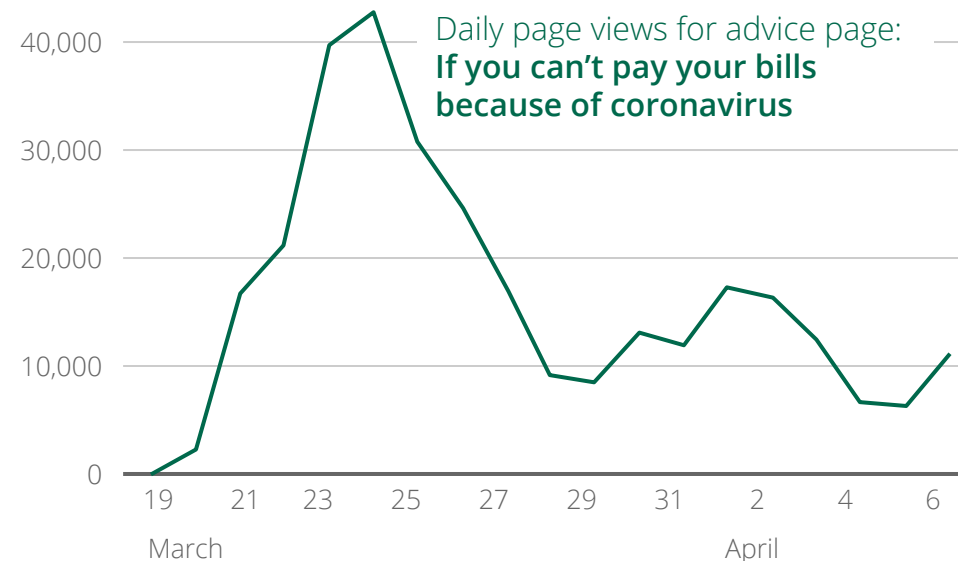
Citizens Advice is uniquely well placed to be able to track in real time the concerns people had. The headline trends were clear - for 66 days straight, advice on being furloughed was the number one viewed page on our website.

Trends also revealed specific concerns within certain sectors.

Concern about household bills soared.

Page views on the Citizens Advice website

19 March- 6 April 2020



In percentage terms, the biggest rise in mid-March was on the page giving advice on if you can't afford to top up your prepayment meter, which was viewed 27,000 times in the last week of March, compared to just 1,000 the week before.

This intelligence allowed us to respond swiftly and work with policymakers and industry to set the standards for how to help people.

- ✓ We helped put in place an agreement, published by BEIS, with all energy suppliers committing to provide support to help keep people on supply.
- ✓ We published a good practice guide for energy companies about how to support customers affected by the COVID-19 crisis.

We continued to speak to energy companies, Ofgem and the government throughout the crisis. This allowed us to keep our guide updated to highlight the positive changes being put in place to support customers during the coronavirus crisis. We've also monitored key trends and flagged issues to stakeholders in telecoms and post: these sectors are more important than ever with many people more reliant on parcel deliveries than before the coronavirus outbreak.

Energy

Ensure that networks are delivering on their promises

We published a report, **Standard Issue**, which assessed how energy networks have performed against the Guaranteed Standards of Performance - the minimum levels of service that customers should receive from their network company - between the years 2015/16-2017/18. We found that Networks paid out just over £17.2 million in compensation to customers over the three year period, including voluntary payments. However this amount should have been higher. We estimate that consumers missed out on a total of £5.1 million in compensation.

Targeted Charging Review

Ofgem set up a targeted charging review to review the way in which electricity network infrastructure is paid for. This is a highly technical issue with the main debates happening in industry forums where we're generally the only consumer voice. We engaged throughout Ofgem's review process, including commenting on proposed modifications and Ofgem's minded-to decision, and participated in a consumer roundtable hosted by Sustainability First.

We highlighted two issues that could have harmed consumers:

- A potential 800% increase in some charges for micro-businesses
- Higher costs for households with Economy 7 meters

In both cases we argued that the proposed charging approach was unfair, and Ofgem subsequently changed their approach to avoid these impacts.

An energy market that meets the needs of consumers in vulnerable circumstances

The debate over how best to meet the needs of consumers in vulnerable circumstances in a fast moving market has continued, with Citizens Advice evidence defining that conversation. We were pleased to see our **five key challenges** for Ofgem, the government and the energy sector mirrored in those identified by Ofgem in its Consumer Vulnerability Strategy 2025. Our research **Supply and Final Demand** specifically found that debt collection methods perceived as 'aggressive' by consumers may exacerbate their vulnerability and deter engagement. The report recommended consistency in communications and a comprehensive package of support to help people to see a way out of their situation and be involved in decisions.

Energy

Warmer homes: improve household energy efficiency

Meeting climate change and fuel poverty targets will require a big increase in uptake of energy efficiency installations in homes.

Previous research we carried out identified the barriers and challenges to consumers taking up these technologies, and explored the measures needed to overcome them. In 2019/20 we carried out qualitative consumer research to understand more about the advice and support consumers need to engage with low carbon home technologies. This included low-carbon heating systems, as well as insulation. We will be publishing the findings of this research this summer.

We also continued to engage with the Committee on Fuel Poverty, BEIS and other stakeholders on the future landscape for energy efficiency, including **responding to the consultation** on the revised Fuel Poverty Strategy for England.

Promote better outcomes for small business customers

Our work has progressed in delivering better outcomes for microbusiness consumers. Insight from our **Closing the Protection Gap** report highlighted issues around debt, contract issues and brokers that informed Ofgem's Microbusiness Strategic Review. As with the domestic market we have also worked directly with suppliers to spread best practice.

- We were pleased to see **Ofgem's microbusiness retail market review** incorporating the majority of our asks.

Keeping the smart meter roll-out focused on consumers

- We continued to closely monitor the smart meter rollout through a combination of regular, monthly analysis of contacts to our consumer service and our network, and through research, for example on **energy consumers' views on data sharing and smart devices**. We produced detailed monthly reports highlighting key issues with the rollout. We share these with BEIS and Ofgem as an early warning system about consumer issues with the programme.

- In September 2019 we welcomed the government proposal to extend the smart meter rollout deadline to 2024 and the release of the latest cost-benefit analysis of the programme. We had been calling for an extension since August 2018. The new deadline gives suppliers time to fix ongoing technical problems and will make sure the customer experience is not sidelined as the rollout continues.

- We created a smart interoperability checker. This tells people who have a smart meter if it will lose functions if they switch energy supplier. We will be launching this in 2020.

Energy

Improving consumer protections for electric vehicle drivers

Last year, we supported the government's electric vehicle taskforce. We led the consumer protection strand, working with the electricity, motor and chargepoint industries as well as other relevant organisations. We have already seen progress on some recommendations we made during that process, including the Government **taking steps** to make more chargepoint data open and **a wider roll out** of the Electric Vehicle Approved scheme for car dealers, which was only a pilot at the time of discussion. We will now sit on the steering group to support how the other recommendations are delivered.

Our research on what makes 'smart charging' acceptable has supported networks as they consider appropriate governance frameworks for emergency charge limitation. We've worked also with industry as they make positive strides towards better consumer protection, providing feedback **on the Electric Vehicle Consumer Code (EVCC)** and **on the Electric Vehicle Governance Framework (EVGF)**.

Ensure future energy networks meet consumers' needs

We continued to monitor and engage with the changing role of the energy networks. We **responded** to the ENA Open Networks Flexibility consultation, where we supported the need for the rapid development of a flexibility market to enable Net Zero targets to be met. Alongside our active engagement in Ofgem's Targeted Charging Review (TCR) and Access & Forward Looking Charges Significant Code Reviews, we published **research** looking at the issue of 'core network access'.

Price protection for vulnerable or disengaged consumers

Consumers on prepayment or standard variable tariffs are currently protected by a price cap that stops them from being overcharged. During 2019, households protected by the default price cap are estimated to have **saved £1 billion** on their energy bills. The cap is time-limited by legislation. We've led the debate on what might be needed to follow it, producing an options paper, **When the cap no longer fits**, and holding a **roundtable** with senior policymakers and chief executives to try and build a shared vision.

Energy

Helping consumers switch energy supplier

To successfully navigate the energy market, consumers need tools to help make the right choices. We have continued to provide the necessary information through our whole-of-market **price comparison tool**. By combining the tool with our **supplier star rating** we have highlighted good and poor practice, providing reputational incentives for suppliers to improve their performance. The star rating is also available for free under licence to other market participants such as price comparison websites. We continue to refine the methodology of the star rating so it reflects what consumers value.

We have also engaged with Ofgem and other stakeholders directly in the Switching Programme, and supported the introduction of new guaranteed standards, which means people will receive £30 automatic compensation for service failures during the switching process.

Influencing industry rules

The energy policy team holds a number of formal roles on industry code panels and working groups that oversee the development and implementation of industry rules.

Additionally, as part of its day to day activities, the team responded to over 60 calls for evidence and consultations from industry, government and regulators.

Improving industry processes

Over the year our tripartite work with Ofgem and Ombudsman Services: Energy continued to identify and respond to trends in supplier and industry performance. Referrals based on information from our consumer service, Extra Help Unit and social media monitoring have informed the regulator's compliance and enforcement action. Our regular omnibus tracking survey with Ofgem has also provided regular insight about evolving consumer attitudes to the energy sector.

Taking innovative approaches to advocacy

The growing range of stakeholders involved in the energy market means that trialing new ways of working are essential.

Supplier communications hack day

Citizens Advice hosted its first energy hack day in September 2019. Common in the technology sector, this is an event where specialists work towards solving a common problem. We had evidence that some letters energy suppliers send to customers about debt and complaints weren't working. People didn't understand them, felt intimidated by them, or didn't know what steps to take. Suppliers weren't getting the money they were owed and couldn't resolve people's complaints.

We knew the letters could be better, for everyone. Working with representatives of suppliers, charities, regulators and government we arrived at broad consensus on what worked well in these communications. In total 96% of supplier participants said they would change something at their organisation as a result of the day.

Our first ever energy conference

In April 2019, Citizens Advice's first ever energy conference - consumers at the heart of the future energy system - was held in central London. Chair of the Energy System Data Taskforce Laura Sandys chaired the event with an opening speech from Chair of Ofgem, Martin Cave. Delegates collaborated in taking a closer look at technology, policy and regulation to help shape thinking across the sector.

Specialist webinars

The energy policy team also holds briefings on some of the more technical topics, sharing our expertise with other charities and consumer bodies. In 2019/20, subjects included electric vehicles, network charging, the future of retail energy markets and smart homes.

Post

Improving awareness of parcel pick up drop off (PUDO) points

There are now over 40,000 PUDO points across Britain. These include parcel lockers, convenience stores and dedicated parcel shops, where people can send or pick up parcels. We analysed earlier Citizens Advice research and conducted a review of retailer websites. We published a **report** which concluded that consumers like to use PUDOs when they know they exist, but low awareness and lack of retailer promotion remain barriers to further use.

In 2020/21 we will continue to work with parcel carriers and retailers to improve promotion of PUDO points and incorporate PUDO points in our ongoing consumer education work.

Reviewing post office community consultations

In June 2018 Citizens Advice agreed the **Principles of Community Engagement** with Post Office Ltd. This sets out how the Post Office should communicate and consult with local communities on individual post office changes, such as temporary closures or permanent relocations. Now that the principles have been in place for over a year, we've reviewed how well they're working for communities. We are discussing our findings with Post Office Ltd and will report on this work in 2020/21.

Understanding consumer experience of franchised Crown post offices

In the last decade there has been a 50% reduction in the number of branches directly managed by the Post Office (Crown offices). Many Crown offices have been franchised to alternative retailers such as WH Smith, but concerns have been raised about quality of service at the new post offices.

We commissioned in depth interviews with branch users that show consumers are broadly receiving a similar experience compared with traditional Crown post offices. But we found some issues with disabled access. As a result of our previous research, Post Office Ltd has now begun to visit all branches at least twice a year, which includes an accessibility assessment. We will monitor data from these visits and continue to raise any issues with the Post Office.

Citizens Advice also has a formal role **reviewing the franchising of Crown post offices**. We meet with Post Office Ltd to discuss consumers' feedback and agree improvements where necessary. Over the year we reviewed 1,019 consultation responses for 8 franchise cases. We agreed improvements and reassurances in every case.

Post

Monitoring the impact of post office network changes

To make sure consumers continue to have good access to post office services, Citizens Advice monitors changes to the post office network. During 2019/20 we focused on the increase in part-time outreach branches, which now make up approximately 1 in 7 post offices. We also looked at temporary closures which are often lengthy and can leave communities without access to post office services for extended periods. We continue to work with government, Post Office Ltd and other stakeholders to understand what can be done to provide better access to permanent, full time post offices, and will report on this work in 2020/21.

Maintaining access to cash and banking services

As increasing numbers of bank branches close, the government sees post offices as key to providing access to cash and banking. We undertook research to explore how well post offices are delivering banking services. We submitted **evidence** to the Payment Systems Regulator's consultation on cash access.

In 2020/21 we will report on our findings and recommend improvements that could be made to the service.

Making sure consumers continue to have access to a good postal service

In advance of a review of the UK's postal regulations, we commissioned research to update our knowledge of postal regulation (both letters and parcels). This research covered postal regulations in the UK and in other countries, as well as regulations in similar regulated markets in the UK. Next year, we'll continue to explore how potential changes to postal regulations could affect consumers. Citizens Advice also **responded** to the **European Regulators Group for Postal Services** on their work plan, calling for a focus on making sure competition in the parcel delivery market benefits the consumers it serves.

Support for the Post Offices Advisory Group (POAG)

POAG provides a unique forum to bring together industry, government, union and third sector bodies to discuss post office issues and share insights. In 2019/20 we ran meetings covering a range of issues including post office changes, franchising, self service, access to financial services and post for homeless people. We also run the Post Operators Group facilitating opportunities for stakeholders to share views and the latest research on post operations.

Cross-sector

The growing problem of negative budgets

In February 2020 we published [Negative Budgets: A new perspective on poverty and household finances](#). This highlighted that last year, 38% of the people who came to Citizens Advice for help with debt had no disposable income after paying for essentials. This trend has been growing across the advice sector since 2016, and the coronavirus pandemic is making matters worse.

People can't realistically have a negative budget for long. They fall behind on household bills, struggle to repay debts and are often forced to go without essentials. Policymakers interested in improving living standards have two priorities - increasing incomes or helping reduce key living costs for those who are struggling.

Throughout 2020/21 we will continue to raise awareness of this growing issue and focus on finding possible solutions for the clients' effects.



Finances

This table shows grant funded expenditure, in £, on consumer advocacy by activity for the year ended 31 March 2020

The Scottish Government's contribution to our GB work is shown in the Scotland column. Expenditure by Citizens Advice Scotland is reported separately in its annual consumer report.

	Planned			Actual		
	GB	Scotland	Total	GB	Scotland	Total
Energy	3,568,700	139,800	3,708,500	3,569,800	139,800	3,709,600
Post	1,076,100	31,000	1,107,400	1,076,900	31,000	1,107,900
Cross-sector	771,700	58,300	830,000	772,800	58,300	831,100
Directorate	188,900	9,300	198,200	186,200	9,300	195,500
Total	5,605,700	238,400	5,844,100	5,605,700	238,400	5,844,100

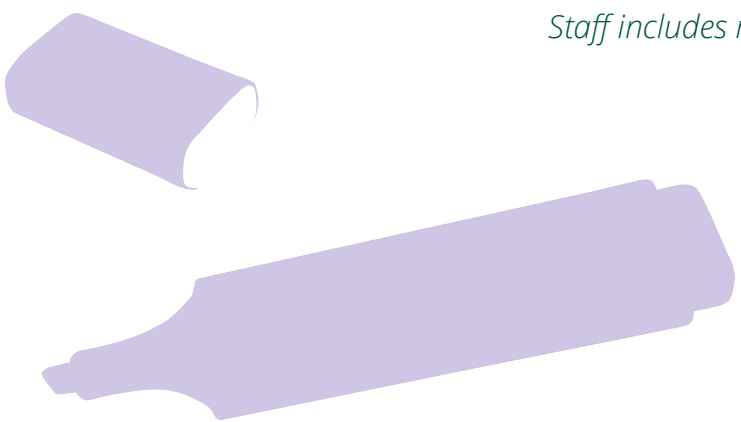
Staff includes related costs

Funded delivery programmes - Energy

Big Energy Saving Week and Big Energy Saving Network

Total

1,641,000



Free, confidential advice. Whoever you are.

We help people overcome their problems and campaign on big issues when their voices need to be heard.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.



citizensadvice.org.uk

Published July 2020

Citizens Advice is the operating name of The National Association of Citizens Advice Bureaux. Registered charity number 279057.