

Proposals for a new Consumer Vulnerability Strategy

Ofgem Consultation 2012

**Response of
The Trading Standards Institute**

December 2012

About The Trading Standards Institute

The Trading Standards Institute is the UK national professional body for the trading standards community working in both the private and public sectors.

Founded in 1881, TSI has a long and proud history of ensuring that the views of our broad church of Members are represented at the highest level of government, both nationally and internationally.

We campaign on behalf of the profession to obtain a better deal for both consumers and businesses.

We are also a forward-looking social enterprise delivering services and solutions to public, private and third sector organisations in the UK and in wider Europe.

We run events for both the trading standards profession and a growing number of external organisations. We also provide accredited courses on regulations and enforcement which deliver consistent curriculum, content, knowledge outcomes and evaluation procedures, with the flexibility to meet local authority, business and operational needs.

In compiling this response, TSI has canvassed the views of its Members and Advisers. The response has been composed by TSI Policy Officer Ash Patel. If you require clarification on any of the points raised in the response, please do not hesitate to contact Ash at her email ashp@tsi.org.uk.

TSI does not regard this response to be confidential and is happy for it to be published.

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TSI welcomes the opportunity to respond to Ofgem's consultation on its vulnerability strategy. Many TSI Members are engaged in delivering frontline trading standards services in local authorities and in supporting the delivery of new initiatives, such as the new Consumer Advice Service which provides first point of contact practical consumer advice to over a million people a year, many of whose enquiries are energy related.

TSI welcomes the proposed definition of vulnerability.

In the long run, the most vulnerable consumers are known to be loyal and more profitable to companies, and less likely to complain of poor services.

In our opinion, the main factors affecting consumers are covered in the Ofgem paper.

TSI would, however, welcome further investigation by Ofgem into the impact of its policies on consumers using different payment methods. It is increasingly the case that the consumer's method of payment dictates the level of choice and competition they are able to access in the retail market. Consumers paying by Direct Debit have the greatest number of options and cheapest available prices – particularly if they are able to manage their account online, whilst those paying by pre-payment meter have the fewest options of all.

TSI would be happy to support Ofgem's five proposed strategy themes, namely:-

- (1) developing targeted and effective regulatory obligations;
- (2) promoting best practice amongst suppliers and distributors;
- (3) taking account of vulnerability in its work and being informed by research and insight;
- (4) prompting innovation in the provision of advice and support;
- (5) using its expertise and working with others to inform wider policy-making to address vulnerability.

Certainly, Ofgem is in a good position to engage suppliers, distributors, and other stake holders to implement good practices and to agree on effective workable monitoring systems. Other sectors such as financial services and government agencies can also become involved, improving communications between themselves and helping vulnerable consumers to access relevant information. This wider effect will benefit vulnerable consumers who may have difficulties in not knowing to whom they should address their complaints.

TSI particularly welcomes the implementation of the Consumer Vulnerability Network to develop a stronger relationship with grassroots voluntary and community organisations working with consumers in vulnerable positions, in order to shape and develop future policy in this area. Ongoing regular discussions between suppliers and distributors will improve communications and a better understanding of the best practices to adopt.