



Northern Ireland
Assembly

Committee for Enterprise, Trade and
Investment

OFFICIAL REPORT (Hansard)

Role of the Consumer Council in Northern
Ireland

30 January 2014

NORTHERN IRELAND ASSEMBLY

Committee for Enterprise, Trade and Investment

Role of the Consumer Council in Northern Ireland

30 January 2014

Members present for all or part of the proceedings:

Mr Patsy McGlone (Chairperson)
Mr Phil Flanagan (Deputy Chairperson)
Mr Steven Agnew
Mr Sydney Anderson
Mr Sammy Douglas
Mr Gordon Dunne
Mr Paul Frew
Mr Fearghal McKinney
Mr Mitchel McLaughlin
Mrs Sandra Overend

Witnesses:

Mr Richard Hill	Consumer Council
Mr Aodhan O'Donnell	Consumer Council

The Chairperson: With us today from the Consumer Council are Aodhan O'Donnell, interim chief executive, and Richard Hill, chairperson. You are both very welcome. It is good to see you. I want to place on record my personal thanks for the work that you do, particularly on behalf of consumers but also with ourselves, as public representatives, in helping us to fulfil our role as best we can, especially in the difficult times that some people find themselves in and with the backdrop of the bad news stories for them and their families.

You know the way that this works: you have up to 10 minutes to make a presentation to members, and then we will have a question and answer session. I am not sure which of you is starting off; is it you, Richard?

Mr Richard Hill (Consumer Council): I will start, and then we will work as a tag team. We will work together, as we have for years.

The Chairperson: Good enough; that is great.

Mr Hill: Thank you very much for the opportunity to come to the Committee and present to members. Before I say anything further, I really ought to declare an interest in that I am a member of the National Consumer Council, which you were considering under the previous agenda item.

The Chairperson: So you are taking powers from yourself and giving them to yourself? *[Laughter.]*

Mr Hill: I am a board member of what is now called Consumer Futures. If you agree the order, it will transfer to Citizens Advice in the UK and the Northern Ireland element will transfer to the Consumer Council from 1 April. I need to be absolutely clear that I am not conflicted, or point out any conflicts so that you can put me out if you believe that there is an issue.

The Chairperson: OK.

Mr Hill: Thank you for the opportunity to present today and for your ongoing interest in the work of the Consumer Council, which is really your ongoing interest in consumers, who are your constituents. Over the years, you have shown interest in our corporate planning and work planning as we have sought to address consumer issues. You have shown particular interest in some areas such as banking. Phil, you mentioned bank charges earlier. A number of years ago, we took a super-complaint on precisely that issue that went all the way to the Supreme Court. You have also shown interest in other banking issues such as Northern Ireland consumers having difficulty accessing their funds on a number of occasions; energy issues; the cost of living, particularly in food; and air passenger duty. Those are all issues on which you have sought the Consumer Council's views.

I have not appeared before the Committee before. The sessions have usually been on operational issues, so our chief executive and policy experts like Aodhan have presented to you and endeavoured to try to guide you through some of the related consumer issues.

You know how we work. You know that we do not just pluck our areas of interest out of the air. We are an evidence-based organisation. We use consumer research. We use quantitative research; for example, we sample large numbers of consumers to establish their attitudes. We also conduct qualitative research using consumer panels — we held more than 100 consumer panels last year — to inform the areas in which we work. All that, alongside the complaint-handling aspect of what we do, which gives us intelligence, informs our work. We know where there are failures in particular markets, and we know that there are a high number of complaints, particularly around energy and some air transport issues. That allows us to develop our corporate planning process and align what we are doing with what we are hearing from consumers. We are a consumer council, and it is our job to listen to the issues that we find are current among today's consumers, to reflect on those and try to influence policy for future consumers.

You have engaged with us as we developed our corporate plan. We use our research, and we engage with the Committee, Departments, business and regulators as we develop our planning process and identify the key areas on which we are going to move. We also need to be fleet of foot. All it takes is something like today's French air traffic control strike — you find that Northern Ireland consumers will be stuck in France or at an airport in Northern Ireland. What are their rights? How do they deal with those issues? We need to be fleet enough of foot to respond to things that are current, whether it is flooding or potential flooding in east Belfast, air travel, or banking customers who find that they cannot get their money out in the run-up to Christmas or their summer holidays.

Our vision is very simple. It is to make the consumer voice heard and to make it count. We have a statutory remit that underpins that to promote and safeguard the interests of consumers, and, in particular, to focus on the needs of vulnerable consumers. As a board, we are very clear on our priorities, and it is paramount that consumer interests are safeguarded. That is articulated through our corporate plan and annual planning process.

Our work is currently delivered through four key aims: ensuring that public policy reflects the needs of today's and tomorrow's consumers; championing and protecting the interests of consumers; informing and empowering consumers; and ensuring that the Consumer Council in Northern Ireland is fit for purpose and delivers value for money. To deliver those aims, and cost-of-living and consumer proficiency, there are a number of essential elements. Our independent voice is critical to our role. We sit at arm's length from government, but are clearly funded by government to reflect the interests of consumers. We have a statutory role, as laid out in the order that created us, so that we can see areas that are of general interest to consumers and follow those through. That has led us to do particular work in car insurance and banking, and to highlight the concerns that we have had around whether the market is treating people fairly.

We follow quite a breadth of consumer work. That, too, is important. It allows us to look across markets and see that someone who is sitting in a cold home is also very likely to have difficulties in paying not just their heating bill but their electricity bill. They may also have difficulty in accessing financial services, banking and post office services. Such complaints are brought to us. The integrated nature of our work and our synoptic approach to looking across different aspects of the

economy means that we do not operate in a silo. We are not looking at just one piece but at the cross-cutting issues. That has been critical in how we have planned our work and how we have engaged on behalf of consumers.

That gives you a snapshot of who we are. I will pass you to Aodhan, and he will take you through some of what we do.

Mr Aodhan O'Donnell (Consumer Council): I will touch on a few things that Rick mentioned. What is the strength of the model that we have, as a consumer council, in Northern Ireland? It comes down to two main issues. The strength of the Consumer Council, at the minute, is the integration of issues that we deal with. For a consumer coming through our freephone number, website or door, it makes sense to talk to an organisation that can advise them on energy issues, whether it is gas or electricity; bus, train, air or sea travel; water issues; or, from April, postal services.

A consumer can come to us and know that they can talk about any issue that is of concern to them. We can also take their complaints and enquiries, which is a key area of our work. That is the case for domestic customers and households as well as business customers, which is an important point that is sometimes missed. We also represent business consumers' complaints, to an extent. In the past year alone, we dealt with 3,500 complaints and returned about half a million pounds to consumers. Those are significant returns to consumers on the back of complaints and enquiries.

For a consumer, it makes sense that there is an organisation that looks across the piece. That approach also helps us because what we learn in energy — for example, energy regulation — we can translate to water, and what is an issue for a food customer can also impact on energy or banking. When we go out to talk to consumers, we find that they do not think about issues in isolation. I am sure that it is the same with your constituents. They think about the sum of the parts, the impact on their household budget and their ability to make ends meet. Having that view right across the piece is essential for us in intelligence-gathering and in being able to react to consumers' issues and needs.

The way in which we work is key; it is a unique strength. We have a statutory role to take complaints. We consider and try to influence policy. We also do a lot of research. In the past year, we held over 100 consumer panels. They go everywhere from Rathlin Island to Fermanagh or Newry, and right across the piece. We go out and speak to consumers and have undertaken 25 specific pieces of research. Those have looked at banking, food and energy issues, right across the piece, to get a picture of where consumers are at. We are starting to move more towards cost-of-living issues to track where consumers are at. From next year, we will be carrying out a twice-a-year cost-of-living tracker, which will ask where consumers are at and where they are struggling most, because we are seeing more economic indicators that things are starting to turn a corner but we are still clearly seeing a consumer confidence lag. The last research that we did, at Christmas, shows that consumers are still less confident about making ends meet in the future than making ends meet now. There is a bit of fear about the future.

We have demonstrated an ability to work across different levels. Just yesterday, we put out a briefing to 700 MEPs on air passenger issues. We try to influence and do more work at a European level. We are also quite active at the Westminster level, especially on reserved policy issues such as banking, air passenger duty and so on. At a local level, we deal with complaints, enquiries and consumer concerns on a one-to-one basis.

It is worth noting that we use a broad definition of "consumer". We consider business consumers part of our focus, and we could do more in that area. Just before Christmas, we launched a report on business proficiency, which looked at how well businesses were responding to consumers' needs, how well they were aware of consumer legislation, and the fact that businesses were sometimes going beyond what they needed to do in reimbursing consumers. There is sometimes a misconception that looking after consumers' interests will add more burden or cost to business. We are very much saying that a good customer is a good consumer and that, if we are really serious about getting the economy growing again and getting strength into the economy, we have to realise that 60% of GDP comes from consumer spending. So, unless they are confident and are out there spending again, businesses will continue to stagnate and find it difficult.

We are very confident in what we do. We have built up a good deal of expertise over the past 30 years. We very much recognise that consumerism and the markets change very quickly. What was right in 1984 might not be the same for 2014. There is a need to continue to review, adapt and develop the areas we focus on. We have done that over the past number of years by taking on more responsibility for energy, water, air and sea regulation, and, from April 2014, we hope, for postal

services. The organisation has shifted and developed. That is the strength of the model. We have been copied into some of the responses from wider partners across GB on the review, and they have recognised the strength of the model that we have, the impacts that we have delivered and the need to be very cautious about making changes unless there is a sound case that consumers will benefit, because it could cause them detriment.

The review is a key concern for us at the moment. As an organisation, we have tried to go out with a very positive message about the impacts that we have delivered for consumers. The board and the organisation have been very clear in saying that we are absolutely not against change, but that it has to be the right type of change, which delivers benefits to consumers. The case for that has to stack up. We want to put on record that we are not in a self-preservation mode but want to make sure that consumers have the best representation. We honestly believe that the model that has developed here in the past 30 years provides for that, but we are willing to see how we could improve and develop. We will look to continue to improve rather than try to reinvent the wheel.

The Chairperson: I have a couple of questions. Briefly, do you welcome the Assembly legislative consent motion on the transfer of Office of Fair Trading functions in relation to estate agents and the like? Is that just harmonisation?

Mr Hill: The board welcomes the transfer. Postal services in relation both to mail and post offices are a reserved matter. We, as a council, also work in some other reserved areas. Our board welcomes the transfer, and the UK Government are keen on it. The local committee of Consumer Futures is also content that the transfer to the Consumer Council take place. Again, it provides for a much more integrated model, because post offices are also places where people access cash and banking services, and are often the last remaining shop in a village. That sits very neatly with a lot of the work on financial inclusion that our money affairs team does in the Consumer Council.

The Chairperson: Thanks for that. Aodhan, you mentioned that parties in GB looked at and recognised the strengths of the model of consumer protection here. Have you any written commentary, observations or opinions from them that you could share with us at some stage?

Mr O'Donnell: Now that the consultation period has closed, we have requested that. The Department confirmed that there were around 300 consultation responses to the review. We were copied into a few of the responses that were submitted, so I am sure that we are open to providing those.

The Chairperson: Sorry; I am talking about the other parties in GB who said that they —

Mr O'Donnell: Those are included in some of the responses to the consultation.

The Chairperson: Right.

Mr O'Donnell: Lord Whitty, for example, provided a response.

The Chairperson: It would be helpful if —

Mr Hill: May I comment?

The Chairperson: Yes, surely.

Mr Hill: Lord Whitty, who was the chairman of the National Consumer Council and Consumer Focus, responded to the consultation, as did Mike O'Connor, who was the chief executive of Consumer Futures. They both said that the model in Northern Ireland is pretty much the envy of the rest of the UK. When they looked at changing the model in the UK, the original ambition was to take a much more integrated approach. Larry Whitty's response — it is two pages and well worth a read — outlines that the politics of the coalition Government mean that they ended up with the current design model, rather than the original ambition, which was to have energy, post, air transport and water all within one synoptic body. The politics of coalition and the nature of the various Departments in Great Britain have made that difficult. It is not just Departments in Northern Ireland that sometimes seem as though they are in silos. GB looks a little the same from time to time.

Mr O'Donnell: I am sure that we can forward you those responses as an example of the perspective that people working in GB have on our model. It is refreshing.

Mr Hill: In August, the Scottish Government published a paper on consumer representation in an independent Scotland. Their Minister had already requested that consumer advocacy be devolved to the Scottish Government. The model that they designed looks very similar to our model in Northern Ireland but with one difference, namely that an ombudsman sits above it. They have clearly shown that they are not content with the GB changes by designing something that looks very different. I think that it is their intention to implement that, whatever the outcome of the referendum and whether or not they become independent. I believe that we will see a model like that implemented in Scotland.

The Chairperson: Thanks for that. I want to move on to another issue. On Tuesday, I sat next door in a meeting of the all-party group on disability. A number of disability organisations were there, and a fair amount of dissatisfaction was voiced about access, particularly but not exclusively, to air travel. Other issues on bus travel and the like were also raised, and I see that you have done some work on that. It would be useful if you could feed back to us the conclusions that were reached and the problems that were identified through that work.

Mr O'Donnell: That is interesting, because some of our colleagues were at that meeting.

The Chairperson: Yes, I saw them.

Mr O'Donnell: They have accepted an invitation to participate in the work of that all-party group, in recognition of the fact that we have a specific role to play in access to air travel. New European regulations were brought in around 2010 on the air side and, more recently, on the maritime side to provide guaranteed services and access for people with reduced mobility. We are the complaint handler for that issue as well. We undertook a number of audits, because it is not only on the aeroplane or aircraft side; it is also true of the airport. That often provides as much difficulty as anything else. Recently, we took a group of people with a range of disabilities through the airports, almost on a mock journey, to find out where they might struggle and have difficulties. We have reports on that. Certainly, we could provide information on those two regulations.

The Chairperson: That would be useful.

Mr O'Donnell: We have just closed a complaint on the ferry side this week. There were issues with a person with mobility problems not getting access to the service. It is a continual problem, not only with one airport or airline, and it can be quite sporadic. We will provide the information to you and the group if that is useful.

The Chairperson: That would be great.

Mr Dunne: Welcome to the meeting this morning. It is very useful. We have continual contact with you and are all somewhat impressed with your recent efforts to raise your profile. We recognise that. You make it clear that you are an independent consumer organisation. How do you go about ensuring that that is retained and that you remain as independent as possible?

Mr O'Donnell: There are two aspects. Our independent voice is absolutely critical to us. Our credibility and reputation depends on our ability to represent consumers. Our sole focus has to be on consumers, whereas other organisations have to balance competing priorities. The way in which we go about our operational planning and the issues that we consider through our corporate plan and engagement with stakeholders and consumers directly sets our direction. Our operational plan and business planning process are also consulted on widely and takes on board all our evidence from complaints, consumer panels, research and engagement with stakeholders. We also consult on our forward work programme to ensure that it meets the needs of consumers. We work quite closely with stakeholders on a lot of issues around price controls, tariffs and customer service standards. Quite a lot of complementary work goes on with stakeholders. However, we sometimes go out on issues that focus strongly on the consumer. We tackle issues that we think are causing consumer detriment. If we have the evidence to do that, we will stick to those issues because we think that that is the right thing to do.

On the other side, we are reporting as an arm's-length body to DETI. We have to demonstrate value for money and good use of public resources. We follow through all the accountability structures.

Sometimes, I suppose that we try to break it out and say that that is the accountability and governance structure. Our voice and our work is independent, and we try to show that as being as independent as possible. As part of our management statement and financial memorandum (MSFM), which was recently reviewed and agreed with DETI, there is an appendix on how we exercise our independence responsibly. It recognises that we have an independent voice and role.

Mr Hill: The board developed that document around six years ago in conjunction with the Department. Cabinet Office guidance states that, in setting up arm's-length bodies, the length of the arm depends on the amount of independence that is required. Not every public body needs maximum independence from government. Organisations such as the BBC or a screen agency are separate from inappropriate political interference but are still accountable for the use of public money in pursuit of those objectives. The board developed the document on how we exercise our independence responsibly in conjunction with the Department to try to calibrate that arm's length. The Consumer Council would need to be at the more independent extreme of public bodies to ensure that it represents consumers' interests and is not captured by any one political interest. That is also why we have a board that is appointed through a public appointments process.

Mr Dunne: Who are your main funders? How do you exist financially?

Mr O'Donnell: Most of the core funding comes from DETI. About 70% of the money for our energy work comes from a levy of the electricity and gas companies. The money for our public transport representation comes from DRD. Additional money comes from DRD for our representation role for water. For our aviation work on air passenger rights and representation, some money comes from the Civil Aviation Authority. Our core funding comes from DETI, and there is a cocktail of funding for specific work programme areas.

Mr Dunne: As we see it, your profile has been raised recently. Do you think that you learned that lesson late on and that you should have been doing that earlier in your life? Is that a fair comment?

Mr O'Donnell: It depends what you mean by "profile". We continually try to ensure that we engage in outreach with consumers, councillors, MLAs and key stakeholders. We do quite a lot of work behind the scenes as well. With a lot of work that we get through, whether it is on issues such as flooding, tariff controls, price controls or licence modifications, we find the best place to do the work. A lot of the work is sometimes done when you are sitting around a table with the energy companies or the water companies. That is not about profile. It is about getting the best outcome for consumers.

However, we accept the point. As part of this process and review, we have spoken to a lot of stakeholders. There are certainly different and improving ways in which we can work. I do not think that any organisation would say that they cannot improve what they do. Moving into the next business plan period, we want to ensure that there is a change from the internal work with some of the stakeholders to drive consumer change to more engagement with consumers and the organisations and political representatives who represent consumers. There is more of that sort of engagement, which is beneficial.

Mr Dunne: You mention the business sector. Is the plan to develop that side of business?

Mr Hill: In the statute that created the Consumer Council, representation of small businesses is not actually in it. There is an opportunity to say to the Consumer Council, "Here is another area of work that we think you should be doing". We have been doing some of it. We have undertaken consumer law training with a number of businesses. We recently published a report into business proficiency. We have worked on behalf of businesses to recover overcharging for water and electricity and on a number of areas. However, it would certainly be helpful to us if what we are supposed to be doing were in statute.

We find that small businesses in Northern Ireland are struggling with many of the same issues as individual consumers. They are also consumers of services. I do not see that we should separate them and have individual consumers versus business. They are all consumers. Aodhan, do you want to come in? We have just published a report.

Mr O'Donnell: We looked, in particular, at the SME sector and small businesses. They are struggling as much as households with rising energy and water bills. We need to look at how we can support them and make sure that they are paying the right amounts and getting refunds when they can. A lot

of work has been done even on issues such as domestic allowances for farm businesses. There are lots of opportunities to do more. However, I agree that we need to engage a bit more with organisations such as the Federation of Small Businesses and the Confederation of British Industry. We have already been doing that, but, if we are honest, we could have done more. The business proficiency report, which came out just before Christmas, will almost be our template for doing more over the next couple of years.

Mr Hill: We have been in discussion with Manufacturing Northern Ireland. It is keen to do more with us, and we are very happy to continue that conversation.

Mr Dunne: One small thing: I notice that your remit is extending to postal services, which we welcome. You may be aware of an issue locally. A postbox was removed from Crawfordsburn village without any consultation with local residents.

The Chairperson: I presume that it was removed by the Post Office, Gordon.

Mr Dunne: Yes, it was removed by the Post Office without consultation. The Post Office says that it will take at least six weeks to get a replacement site. Perhaps you could look into that issue for us.

Mr Hill: Happily. We will pass it across to our colleagues who chair the relevant committee. We are very happy to look at that. It should not have happened, as the Post Office is supposed to consult on access points.

Mr Dunne: This is the sort of thing that the people of north Down are up against. We had a post office in the village some years ago. It closed, and now we do not even have a postbox. These are real consumer issues. *[Laughter.]* Chair, you would not have issues like this to worry about up where you are.

The Chairperson: Not a bit. Sure we have no postboxes to start off with, Gordon.

We have given a fair amount of latitude for both questions and answers. We have an awful lot of business today. I ask members to keep their questions concise. We had agreed a pro forma. I allowed you a fair amount of latitude, Gordon, but I ask that we stay focused on the issues.

Mr Agnew: Thank you for the information so far. Paul Simpson's report questioned why the Consumer Council is conducting independent research. What do you see as the value of your research? How does it fit into your organisation's objectives to support today's and tomorrow's consumers?

Mr O'Donnell: We would say that it is an absolutely critical piece of the jigsaw to go out and have direct contact through consumer panels. Information from consumers drives everything that we do. It complements the complaints and enquiries that come in. It flags up what we need to focus on. It drives our work — it really does. It needs to be independent. That gives consumers an assurance that we are working on their behalf, that there is no other agenda for asking these questions and that we are genuinely going out to try to understand their issues and concerns.

We can also test priorities; we are doing more of that. There are constraints in departmental budgets and in what Departments can do, so we can often work with those Departments and ask consumers, "If you had the money to do so much, what would your priorities be as a consumer?" We are doing a lot more of that weighted, priority work, which is more useful than having a blank page and asking, "What do you want?" It is a two-way thing. We drive our work, but, to a certain extent, we can also use it to test and to consult with consumers.

Mr Hill: It is very surprising that Paul Simpson should say that. It is accepted practice across most regulators and advocacy bodies in Ireland and Great Britain. You will find that they commission research because they need to understand what the market looks like and who their consumers are. It is accepted practice in business. The research undertaken by the qualitative and quantitative teams that a business such as Apple uses — to design its future products and to test the market for its current products — is simply extraordinary. The suggestion that we should try to fly blind surprises me. I imagine that the Assembly also uses research tools from time to time to establish governmental priorities as you go forward. Independent, authoritative research is critical and informs the board's strategic direction, corporate planning and annual planning.

Mr Agnew: Richard, you mentioned the length of the arm in an arm's-length body. Reference was made to the BBC being:

"separate from inappropriate political interference".

I suppose that there is a tension in being independent but funded by the Department. The Consumer Council has challenged DETI on some policy issues. Oil regulation is one example that comes to mind. Lord Whitty's report on fuel poverty certainly had challenges in it. When you are under review and your research role is being questioned like this, does it challenge you, as an organisation, in being able to go forward and continue to influence policy?

Mr Hill: At present, we are still doing exactly the same job. Parliament gave us a statutory responsibility. Until Parliament or the Assembly tells us to stop, that is exactly what we will do. We have recently undertaken some more market research, which informed Aodhan's presentation, around consumer confidence. That came to the board this week and gave a snapshot of the issues that people are facing. Our economy may be about to improve, but individuals are still struggling with the idea that they will be able to pay their bills in a year's time. All that assists us, and we are there in a challenge role as a critical friend to regulation, to business and to government to represent consumers. We are still doing that, because that is our statutory remit is until such time as it is changed.

Mr O'Donnell: There is absolutely no doubt that the process — the Simpson report and the consultation document — has caused anxiety, and we identified issues in it. As soon as the Simpson report and the consultation report came out, we produced a document that outlined what we believed were all the inaccuracies, errors and omissions, which was copied to the Department and to this Committee. We parked that because we did not want those issues to engulf everything else that we were doing. We moved on and tried to take a positive approach and focus on the impacts and on what we had to do for consumers. If you stick to that track, you are not far off what you should be doing, rather than taking a negative view and challenging everything. That is why we have tried to maintain what we do.

Mr Hill: The board has focused on trying to ask what the best consumer representation looks like. That is what consumers in Northern Ireland need and deserve.

Mr Agnew: Is that ability to influence policy, not just in Northern Ireland, as you said, but at UK and EU level, necessary for the work of a consumer representation body?

Mr Hill: It is critical to what we do. If we identify areas where a market may not be serving consumers well or issues are raised, for example, about the cost of car insurance, it is important that we are able to influence policymakers and business to deal with any unfairness that we have clearly evidenced. We need the evidence base because we might be trying to influence somebody's business.

I use the word "challenge", but it becomes inconvenient and difficult when we have exhausted all the diplomacy and conversation and have to say publicly that an issue needs to be addressed. We have done all the other work and the research ahead of that, and it is a critical part of what we do. It is a critical part of what Consumer Futures will be doing when it transfers into Citizens Advice in GB, or what the Scottish model will do when it is built. It appears to be a normal part of policymaking and public life across a lot of jurisdictions, and it can and has been doing that in Northern Ireland.

Mr Agnew: I want to move on to another arm of your work, which is the complaints side. That area came under criticism in the report. How would you respond to that?

Mr O'Donnell: There was definitely a misunderstanding of the depth of complaints and how long it takes to clear them; those are quite significant issues. We have just cleared a case, for example, and a payment was made to a hospital that we were working with. The complaint took between 12 and 18 months to work through; there was a very significant issue, and that returned £273,000. You cannot simply say that you can deal with an enquiry in a day and move on to the next one. There are quite significant caseloads to be worked through. An air passenger complaint may take anything up to eight weeks to work through. It was a very limited review of consumer support and the nature and complexity of the complaints and enquiries that we handle, given how much is involved in going back and forward to act on a complainant's behalf. It was not a fair comparison.

Mr Hill: The board saw that —

The Chairperson: I am sorry, Rick; we have to move on to the next question.

Mr Hill: May I make one more comment?

The Chairperson: I am sorry, Rick, I am going to have to move on. We are really pressed for time today, and you knew the format before you came in.

Mr Anderson: Thank you for your presentation, gentlemen. I note from your papers that you have been awarded super-complainant status. I also note that you have helped 3,500 customers this year, which surpasses those helped in all other years. Does that tell me that you are getting better at your job, or is it down to increasing consumer pressures and issues coming on stream because of the economic situation that we are in?

Mr O'Donnell: I think that there are a few reasons why complaints have increased. Up to a couple of years ago, for instance, there was no competition in the energy market. Now that there is competition, we have received many complaints about difficulties with the switching process. New areas of complaints are coming through. A recent judgement was also made that means that customers can back-claim for issues associated with air travel for up to about five years. That also created a new swathe of complaints. Consumers are facing changing issues, and people are also becoming more consumer proficient. That is a good thing, and consumers are more knowledgeable about their rights and willing to complain if things go wrong. New and emerging issues and an increase in consumer proficiency are the two main drivers for that. Hopefully, it is also a result of our engaging more with people.

Mr Anderson: I know that we are restricted for time, so I will be quick. I want to discuss car insurance and the role that you play. The issue has been very much to the fore. Will you expand on your work in that area? When people are looking for quotes for car insurance, in some cases, the difference between the two extremes of the cheapest and the most expensive is ridiculous, to say the least.

I am a rural dweller, and, for many rural dwellers, the car is their only mode of transport. They need insurance. Fuel pricing also comes into it. What work are you doing with insurers? Another issue with insurance is the cost of repairs, and some companies tell customers that they must or should go to a specific car repairer. That is really asking for extra money to be charged.

Mr O'Donnell: I am happy to provide a fuller briefing on what we have done with insurers. I will perhaps give you some headline figures.

The Chairperson: Sure.

Mr O'Donnell: We undertook an investigation into the cost of car insurance in 2008-09 and found issues with the market. We then made a submission to the Office of Fair Trading on the cost of car insurance. It looked at that, undertook a market investigation and found issues with the car insurance market. It passed its recommendations to the Competition Commission, which is still doing some work. In general, it found that car insurance premiums are around 13% to 15% higher in Northern Ireland and up to 70% higher in rural areas.

The Competition Commission is investigating the market under a number of themes or strands, one of which is third-party repairs. If you are the not-at-fault driver, you do not have any choice about who does the repairs or the cost of the repairs, and the Competition Commission thinks that that is distorting competition.

We were going to do some additional research alongside the Competition Commission's report. That report was due out in November or December, but I think that it will now be the end of March, and we are waiting for its findings. It will have to come forward with remedies to prevent the distortion. I do not think that it will drive the margins down. Third-party repairs are an issue right across the GB market and are not specific to Northern Ireland. I do not know how it will address the differential that we see in the market. It might drive prices down across the piece, but we might still have the increase. A lot is happening in that area. The best thing might be to give you a quick briefing on our history of investigation and involvement.

The Chairperson: That is grand.

Mr Anderson: It is complex and certainly something —

Mr O'Donnell: It is complex, and a lot is happening. I think that that would be very timely because of the report from the Competition Commission.

Mr Anderson: How do you spread your workload? How many staff do you have?

Mr O'Donnell: We have 47 staff.

Mr Anderson: Is that increasing?

Mr Hill: We will acquire two more members of staff when postal services are transferred across, but it will still be around that figure.

Mr Anderson: Is that enough to carry out your work?

Mr Hill: If you are offering us more people —

Mr Anderson: I am not offering.

Mr Hill: We could, of course, do more with more.

Mr Anderson: We could maybe go the other way. *[Laughter.]*

Mr Hill: If you compare the organisation size with similar advocacy bodies in Great Britain or in Scotland, specifically, you will find that it is not out of kilter with those. When you consider the range of markets we are working in — water, electricity, gas — you realise that we work across a range of areas. Some of the bodies in the UK are working in two or one. The fact that we are joined together means that there are synergies across the teams and services are shared. If you were to try to fulfil our statutory functions across all of those markets by breaking us up into separate organisations, as they have done in London, with Passenger Focus, an air passenger group, or a water group, the costs would inflate, and the staff numbers would go up even further. The fact that we are a synoptic body looking across a range of areas, says that we are efficient and effective, as Paul Simpson said.

Mr Anderson: I have a final question.

The Chairperson: Sydney, we are pressed for time.

Mr Anderson: It is my last one.

The Chairperson: You can have one brief question and one brief answer.

Mr Anderson: I touched on the rural aspect and research. How much do you spread your workload across Northern Ireland? How much do you focus on rural issues?

Mr O'Donnell: There is research and engagement right across the piece. At the back of our submission response, you will find a breakdown of the areas in which we have had engagement. It goes across every county and every area. We have done about 75 areas of outreach this year so far, and they are spread across the piece as well.

Mr Hill: Our research is spread across Northern Ireland and section 75 groups. We make sure that we are hitting the right kind of age profile so that we have accurate information. We are very thorough about that.

Mr Flanagan: Gentlemen, thanks for your presentation. I put on record my personal thanks for the continuing efforts of the Consumer Council to represent and advocate for consumers. I think you play a very important role, and it is a role that you should be continually empowered to play. You also play a very important role in briefing MLAs and Committees, particularly on energy issues, which are very

complex. My question relates to the future of the Consumer Council. You heard Patsy say that we are tight for time, so can you keep your answers short, because I want to go over a number of issues? What will the impact on consumers be, if the Consumer Council is abolished?

Mr Hill: We have an independent report, by David Stubbs, looking at consumer advocacy in a regulated market. He assesses that our annual value to the GDP of Northern Ireland is about £18 million. If we take David Stubbs's figure, you would lose £18 million of a contribution to Northern Ireland's gross domestic product. You would need to examine the Stubbs report. We would be very happy to give you a copy of that. That is the short answer.

Mr Flanagan: This might not be a phrase that you would use, but have you any understanding of why the Consumer Council is being undermined?

Mr Hill: I think it is a normal part in government to ask tough questions of your arm's-length bodies from time to time to see if they are efficient and effective. Paul Simpson says that we are. That is the position that I believe we are in. We are efficient and effective. You should probably address your question elsewhere. The Minister has stated that she has an open mind. In my experience of Arlene Foster, she usually says what she means.

Mr Flanagan: OK. Do you think that all DETI non-departmental public bodies are treated equally?

The Chairperson: You can choose what way to answer that.

Mr Hill: It is difficult for me to make an assessment. I would have to do some research into the other bodies and find out what level of engagement there is and make a comparison. I know only about the relationship that we have with the Department.

Mr Flanagan: Do you feel that the Minister and her senior staff are supportive of the Consumer Council?

Mr Hill: The Minister has said that she has an open mind about the future of the Consumer Council, and, as I said in a previous answer, she usually says what she means, in my experience. I believe that that is where we are. DETI has clearly been supportive of us in assisting us with our needs down through the years.

Mr Flanagan: Personally, I cannot envisage a situation where the Minister says that she has an open mind about Invest NI or the Tourist Board. They would always come out and support and defend them, even when they are wrong, but she has an open mind about the future of the Consumer Council. I find that interesting.

I will move on to fuel prices. You have done a lot of work on fuel prices. Recently, we had a presentation from the Petrol Retailers Association and a range of supermarkets to explain why there is a price differential in fuel. I presume that that is a briefing that you followed. Aodhan will probably answer this question. Have you any response to make to the information that they gave us?

Mr O'Donnell: That ties into the rural discount scheme as well, which was really never going to cover here. There was some evidence in Australia that they were trying to limit the amount of price discounting that some of the supermarkets could do. We still have our line that there is a massive variation between outlets of the same supermarkets in different areas and that the consumer should get the best price no matter where they live. There should not be a postcode lottery. So, we are still driving the message that the best price should be offered to all consumers. Sometimes, there is a difference of up to 9p per litre depending on what store you fill up at, which does not seem fair to consumers.

Mr Flanagan: Those are the actions of supermarkets and retailers, but, in terms of taxation policy, has the Consumer Council looked into the potential benefits for consumers of devolving the power to set the rate of fuel duty to the Executive? Have you looked at the impact that harmonising fuel duty on a cross-border basis would have on the volumes of fuel being bought in the North rather than by people going across the border?

Mr O'Donnell: No, we have only gone as far as looking at the need to review the taxation policy on fuel at a GB level. However, that is an argument that is being made about the specific impact in Northern Ireland, especially since we have higher diesel and petrol prices in a European context.

Mr Flanagan: Is that something that the Consumer Council would have the capacity to do?

Mr O'Donnell: It would be difficult for us because we do not have any economists to look at taxation issues. We called for HM Treasury to review taxation, because if you look at the refinement price and the pump price, the difference is tax and duty. We have always been concerned that VAT is put on top of tax, so there is, almost, double taxation. We are looking for a review of that, but it is something that we could consider a bit more and come back to you on.

Mr Mitchel McLaughlin: I will save time by saying I echo all the positive comments. In my experience as an elected representative, the Consumer Council has always added value to our work.

Is the General Consumer Council and the Consumer Council for Northern Ireland the same body?

Mr Hill: Yes, the General Consumer Council is the legal name. It gets shortened to "Consumer Council" for usage. It is like the "National Consumer Council" being the name for Consumer Futures.

Mr Mitchel McLaughlin: The legislative consent order that we are considering refers to the "General Consumer Council".

Mr Hill: That is our legal name.

Mr Mitchel McLaughlin: That is fine, I just wanted to clear it up.

Mr Hill: It is going to the right place.

Mr Mitchel McLaughlin: You mentioned the politics of the coalition arrangements at Westminster, which we have some experience of ourselves. The legislative consent motion brings in a process of short-circuiting where it is commonsense. I just want to be certain that there is that understanding between you, as representatives of the body concerned, and us as members of a Committee that has a scrutiny role in respect of the Enterprise Department. Are you satisfied that you will have the same powers and that the transposition will not do anything other than add responsibility for postal services.

Mr O'Donnell: We are satisfied with the transfer and the developments that have gone apace. We are also already working on integration, because there will still be some issues due to reserved policy, which we will be working with Consumer Futures on.

Mr Mitchel McLaughlin: So, there will be no reduction in your existing statutory powers?

Mr Hill: We will get additional powers. The section 24 powers of the Consumers, Estate Agents and Redress Act 2007 (CEAR) —

Mr Mitchel McLaughlin: I understand that there are additional powers coming to you from a different category. So, your existing powers in your existing sectors remain the same.

Mr O'Donnell: Yes.

Mr Mitchel McLaughlin: I see in the addendum to your briefing document, which is a very good document, you state:

"In its response to DETI's consultation on Future Consumer Representation Arrangements the Consumer Council has asked for this same power to be extended across all of its remit."

Does that indicate anxiety?

Mr Hill: No, it indicates that the other consumer bodies across Great Britain have those powers and can go to business. Taking the postal service as example, the consumer bodies across Great Britain can ask the Royal Mail for its quality-of-service figures, and Royal Mail will provide them. You can imagine that, currently, as the General Consumer Council of Northern Ireland, we go to a business and ask it to tell us about its quality of service, and it says that it will not because that is commercially in confidence to it and it has no reason to share that with us. You find that the GB bodies have that information shared with them. They keep the commercial confidence and are then able to make a realistic assessment about whether the market is fair.

Mr Mitchel McLaughlin: I want to localise it, and I am conscious that the Chair is getting anxious.

The Chairperson: No, I am not.

Mr Mitchel McLaughlin: Have you been given an assurance that the remit will be extended so that you can operate on a level playing field between consumer representation elsewhere and here?

Mr Hill: Only in postal and mail markets. We highlight the fact that there is an asymmetry and that it would be useful to have that level playing field across the rest of the issues. We have not currently been given any assurance of change.

Mr Mitchel McLaughlin: OK. Perhaps the Committee should seek reassurance on that in taking our approach to the question of supporting or otherwise the legislative consent motion. I am content to leave it at that, because I know that we are under pressure.

The Chairperson: You are grand, Mitchel. Thank you.

Mrs Overend: It is good to see you here. I want to draw out an issue that was touched on earlier. How do you measure the social deprivation levels of the consumers who you reach and help, and how do you work to reach more such consumers?

Mr O'Donnell: We have a statutory role to represent and pay particular attention to vulnerable consumers, so we have an outreach strategy that is broken down into particular categories that we have to reach. We track and monitor that and report quarterly on our performance against objectives and how well we are doing in meeting those targets. All of our research has to be spread across the groups that we have particular interest in. Where we can, we also try to track all of our complaints and enquiries to geography and location, and we give as much information as we can. Sometimes, people do not give all of the information on feedback and surveys, but, in short, that is how we try to ensure that our outreach and engagement strategy, which has targets for particular areas, is measured and reported on and that our research and evidence takes account of it. We try to track it with inward traffic of consumers coming to us as much as we can.

Mrs Overend: Are you reaching your targets?

Mr O'Donnell: We exceeded our targets on our outreach for the areas that we have. I think that we have five, and four of the five have been exceeded, and one is at 80% of its target and on track to be completed by the end of the year. We are always trying to find better ways of getting engagement and working with other organisations that can engage with local areas and communities as well. We are trying to develop more resources and materials so that we do not have to be the ones always delivering. We work with organisations to support them as much as we can.

Mrs Overend: You are Belfast-based. Do you have a difficulty in representing people in the west? Do you have to work hard to target those people?

Mr O'Donnell: We put a significant effort in. We make sure that all of our panels are spread across Northern Ireland. We are very conscious not to be viewed as a Belfast-centric organisation. We are based in Belfast and have one place in Belfast, but —

Mr Mitchel McLaughlin: God forbid.

Mr O'Donnell: We are out and about a lot. We do a lot of our seminars and events right across the place. If we were to break down where we have been active, you would see that there is quite a good spread. It is never far away from our minds.

Mrs Overend: It is something that you are very aware of.

Mr Hill: The board also tracks our complaint handling. We are able to see where complaints are coming from. We are very mindful that Northern Ireland is 35% rural and that we need to be engaged in rural issues more widely. We have our complaints broken down by area and region on a map so that we can see where things are. We can see the averages and ask why we are not having the correct number per thousand of the population in a certain area and whether we need to focus our outreach there. We audit that. Paul Simpson said that work on complaints takes a long time. We were deeply troubled by that, so we commissioned an independent audit of that, and we have been given substantial assurances around our complaint handling.

Mrs Overend: You talked about working with other organisations. Do you feel that there is any duplication of the work that you do with that of other organisations in Northern Ireland, and do you work with them to avoid duplication? Tell us more about that.

Mr O'Donnell: There are areas of overlap, but I do not think there are areas of duplication. I think that we complement each other as much as we can. Going back to the review process, we have had a lot of discussions with a lot of organisations. We also have a lot of partnerships set up. We set up the financial capability partnership, which includes CAB, Advice NI and the Money Advice Service. There are lots of different organisations. The review probably underestimated the amount of engagement that we have with other organisations. We have run affordable credit pilots with the Housing Rights Service and the Community Foundation for Northern Ireland (CFNI). So, we work in partnership, and we try to minimise or cut out any kind of duplication and ensure that whoever is best placed to represent the consumer does it. We do not have any airs and graces about who does it. The best organisation to deliver for the consumer is ultimately the best way to go forward.

Mr McKinney: I would like to touch on consumer awareness and education in just a second, but I want to draw out something that was raised earlier. You talked about the wider economic narrative that we are getting out of the woods versus the opinion that you are hearing from individuals that you are talking to. You also talked about wanting to be a critical friend. Do you think those in power value or want your specific critical friendship?

Mr Hill: I am here today, and you appear to be those in power, so I believe that you are interested in the work that we are doing. You mentioned our education work. In the last Programme for Government, we identified that there was no spend for financial capability. We approached those in power, and financial capability was added to the Programme for Government. That looks to me like a result of positive engagement.

Mr McKinney: Yes, but I am talking about it in the context of why we are all here. Do you think that government or DETI values your critical friendship?

Mr Hill: I think that you need to put that question to DETI. There are times when our questions are challenging, and there will undoubtedly be times when the questions or areas that we work in are more easily aligned with the policy objectives of government. It is the nature of a consumer body that represents consumers that sometimes what we do sits very well. The work that we do on fuel poverty may well be aligned through the Fuel Poverty Coalition with government targets there, but there are other occasions when our research shows us things, and it may appear inconvenient. That is the nature of what we do. That is why we are there.

Mr McKinney: I will move on to the education bit. How substantive is that in respect of what is being taught about consumer awareness in schools?

Mr O'Donnell: That was something that we campaigned for a number of years back, and we made sure that consumer education was included in the curriculum. So, there is consumer education in there, which is a really good aspect to it. We always break down our work into two areas: consumer rights, so they are entitled to protection; and consumer responsibilities. Consumers have to make the right decisions, and that is where the education remit fits in. We are trying to make consumers more proficient and more aware of their rights and responsibilities.

We talked a bit about air passenger rights for people with reduced mobility. They have a responsibility 48 hours before flying to notify someone of that. So, that is their responsibility to get their rights and protections. We are very conscience to balance it, so that we are not always seen as a watchdog organisation complaining or criticising issues. Consumers have a responsibility, and they need to take certain actions.

Mr McKinney: Is that the product in itself? I raise that in the context that we now consume more.

Mr O'Donnell: Consumer education is a statutory function that we have.

Mr McKinney: The point that I am getting to is that we consume more than ever. Is there career potential emerging out of the work that you are doing in post-primary schools because of the amount that we consume and the potentially greater need for consumer knowledge and protection?

Mr O'Donnell: There certainly is. We talk about rights and responsibilities, but it is about responsible consumerism as well. There is a whole aspect to that. You can even see the growth in the amount of programmes on TV, such as Martin Lewis, etc.

Mr McKinney: But is there a career path there?

Mr O'Donnell: There is a consumer study programme at the University of Ulster at Coleraine. We also take on a consumer student every year. So, there are students going through and focusing on consumerism as an issue. More businesses seem to be looking at it that way, and the link to behavioural economics is becoming more of a niche area as well.

Mr McKinney: So that module, if you like, is something that can grow. It is a valuable addition.

Mr O'Donnell: I do not know how many students go through it every year, but it certainly is a career path.

The Chairperson: Thank you, Rick and Aodhan, for your time with us. I am sorry for the pressures we had to bring to bear on you. We could probably talk about this all day, but we have other stuff to deal with today in Committee, including a video conference.

Mr O'Donnell: There was a discussion on banking beforehand, so we will send through a letter on some of those issues around personal current account charges. There are bits and pieces happening on that as well.

The Chairperson: Good man.

Mr McKinney: Just one other thing, Chair. You mentioned some documentation on the Scottish Government model and stuff. Is that something that we could get a hold of?

The Chairperson: Yes, you agreed to send that over to us.

Mr Hill: Yes, it is on the Scottish Government website, but I will send you the link.

The Chairperson: We referred to a number of other documents earlier, including the guy that you commissioned about the —

Mr Hill: The David Stubbs report and Lord Whitty's response to the consultation. It is only a couple of pages, but it gives you a really good snapshot of —

The Chairperson: Can we get those?

Mr O'Donnell: It is easy for us to create them and send them —

The Chairperson: OK, that is grand, thank you.

Mr Hill: There are 300 responses to the consultation. I am sure you will read them all. *[Laughter.]*

The Chairperson: Thank you for your time.

Mr Hill: Chairman, before we go, I thank the Committee for its continued interest. Aodhan is our interim chief executive. My term as chair runs out later this year, as does the term of the vice-chair, and we need to recruit two other board members, so it would be in the interests of both staff and consumers if we could have the cloud that has been over us for more than two years lifted in some form.

The Chairperson: I am hearing you loud and clear. I do not disagree with that at all. Thank you.