

Council for Northern Ireland's application for designation as a complainant to the Financial Conduct Authority

Name and address of the organisation and a contact point for correspondence.

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Nature of the organisation, purpose, activities and sectors covered and how long in existence (also for any trading arms) –

The Consumer Council is an independent consumer organisation set up by Government in 1985. We work to bring about change to benefit Northern Ireland's consumers, by making their voice heard and making it count.

We have a statutory remit to *promote and safeguard the interests of* consumers in NI and we have specific functions in relation to energy, water, transport and food (the Consumer Council and the Food Standards Agency (FSA) have a memorandum of understanding and the Council's strategic focus on food is primarily in relation to food prices and customer experience). These include considering consumer complaints and enquiries, carrying out research and educating and informing consumers.

The Consumer Council is also a designated body for the purposes of super-complaints, which means that we can refer any consumer affairs goods and services issue to the Office of Fair Trading, where we feel that the market may be harming consumers' best interests.

Specific areas of work include:

Consumer support

We have a statutory complaints handling role. We handle consumers' complaints about buses, trains, planes, ferries, electricity, natural gas, coal and water. If a consumer has made a complaint against a company and not achieved a satisfactory outcome, the Consumer Council can take up the complaint on their behalf. We work with the consumer and the company to reach the best possible outcome.

Energy

There are many challenges facing the energy industry in Northern Ireland including the affordability of energy, security of the energy supply and climate change. The Consumer Council's role is to listen to consumers and represent their interests to policy makers and are involved in regulatory processes. We are currently campaigning for: the eradication of fuel poverty in Northern Ireland; and fairer and more transparent home heating oil prices. We monitor prices two times a week and publish them on our website so that consumers can see the average price of oil in their area and decide whether they are getting the best deals. We also lobby policy makers to ensure that the regulatory system for electricity and gas produces the best possible price for consumers.

Money Affairs

We work to help all consumers gain the skills and confidence to manage their money and make it work for them. We do this by developing policy, carrying out research and running information campaigns on financial capability, inclusion and financial markets such as banking and insurance. We also work with government and other stakeholders including banks and building societies, to drive change and ensure that consumers are at the centre of policies and decisions that affect us all. **We used our statutory super complaint status in relation to NI banks and gained CC remedies to address anti-competitive practice in NI banks.**

Water

The Consumer Council represents consumers on water and sewerage matters by working with the Northern Ireland Assembly, Northern Ireland (NI) Water, the Department for Regional Development and the economic and environmental regulators to make sure that consumers' interests are at the heart of any decisions regarding our water and sewerage services. We continue to lobby Government to ensure that any water charges are fair, affordable and sustainable. We also challenge NI Water to make sure it delivers its services in the most efficient way possible and offers value for money.

Transport

The Consumer Council protects and promotes the interests of all road, rail, air and sea passengers travelling to, from or within Northern Ireland. We campaign for better public transport and work with all the main transport providers, key stakeholders and Government to ensure transport services meet passengers' needs. We also investigate various transport costs to help consumers save money. These include airline charges and petrol and diesel prices.

Consumer Education

A key statutory function for the Consumer Council is the delivery of consumer knowledge, skills and information for all. We do this by working with consumers of all ages: Schools and Colleges, Youth Sector, Community and Voluntary Groups, Adult Education and Training Providers. We also work with businesses to improve their understanding of consumer law and standards of customer care. We empower consumers to make responsible choices.

Details of the organisation's constitution (e.g. Memorandum and Articles of Association), including its legal or statutory status, its board and/or its management structure (also for any trading arms)

See appendix A for copy of legislation

See appendix B for Board structure

See appendix C for organisational structure

The current list of directors, partners or principal officers of the organisation and any others who could be said to exercise control

Antoinette McKeown- Chief Executive

Aodhan O'Donnell- Director of Policy

Director of Operations- vacant and in the process of recruiting

- see appendix D for job description

The Council has a Chairperson, Deputy Chairperson and ten members appointed following ministerial approval.

Mr Richard Hill, Chairperson

Mrs Mandy Patrick, MBE – Deputy Chair

Mr David Beattie BA MIB

Mr Colm Bradley

Mr Kit Chivers

Mrs Deirdre Fitzpatrick

Mr David Galloway

Mrs Jill Gillespie

Mrs Sarah Havlin LLB

Mr Sam Snodden FCA

Dr Margaret Ward

Mr Lee Wilson

Curriculum vitae (CVs) of the directors, partners or principal officers of the organisation

See Appendix E

CVs for Chairperson, deputy chairperson and board members included as well as senior staff.

A current list of directorships, shareholdings and any other substantial interests in other companies held by directors, partners or principal officers of the organisation (including any trading arms) and any others who could be said to exercise control

See Appendix F

At least two years accounts, or where this is not possible an explanation of why two years accounts are not available. Where there is a trading arm, the accounts should show the sources of income and the purpose for which the income is used

2012/13 Year End accounts will not be available until July 2013 so links have been included for 2011/12 and 2010/11

Annual Report 2011-12

<http://www.consumercouncil.org.uk/publications/?id=916>

Annual Report 2010-2011

<http://www.consumercouncil.org.uk/publications/?id=762>

Any relevant information on the past conduct of the individuals who manage or control the organisation (including any trading arms)

N/A

Evidence demonstrating experience of acting in the interests of consumers/ particular groups, with examples and over what period

Our Corporate Plan 2011 – 2015 sets out the focus of our work until 2015, the four core aims being:

- Ensuring public policy reflects the needs of today's and tomorrow's consumer;
- Championing and protecting the interests of all consumers;
- Informing and empowering consumers; and
- Ensuring the Consumer Council is fit for purpose and delivers value for money.

We have set out below a selection of key impacts that have been achieved under each theme across the Corporate Plan period to date.

Aim: Ensuring public policy reflects the needs of today's and tomorrow's consumer

- We maintained the focus on consumers when agreeing with stakeholders a revised PC10 investment programme for NI Water that directly affected the services consumers receive. We secured the central role of consumers' priorities when agreeing the approach to Price Control 2013-2015 (PC13);
- The Consumer Council has continued to work with the Department for Transport and the Civil Aviation Authority (CAA) to represent air passengers with a disability or reduced mobility, ensuring that we continue to be the designated complaint handler for EC Regulation 1107. This allows us to take complaints from passengers with reduced mobility and to work with industry to improve services to passengers with reduced mobility;
- To ensure energy policy in NI works in the best interests of consumers, the Consumer Council in 2010 asked Lord Whitty to undertake an independent review of energy policy in NI. The report 'Energising Northern Ireland' outlined key recommendations and challenges for NI

government departments and energy suppliers alike;

- The Consumer Council is a member of the steering group for the Fuel Poverty Coalition and we work with our Coalition partners to lobby for action to reduce the high fuel poverty levels in Northern Ireland;
- As a result of partnership with Bryson Energy to pilot a fuel brokering scheme with consumers in the North West, participants saved on average £35 on a 500 litre refill of oil. CCNI and Bryson aim to increase the availability of fuel brokering schemes through learning from this pilot initiative.
- The Consumer Council worked with the Department of Enterprise, Trade and Investment (DETI) to develop the NI Executive's first Financial Capability Strategy for consumers in Northern Ireland, taking views directly from consumers across NI to ensure the strategy met the needs of people struggling to manage money;
- The Consumer Council were the only third party called to give evidence to represent consumers in the Competition Commission's 2012 review of the Utility Regulator's Phoenix Natural Gas Price Control Determination, submitting extensive evidence on consumer impact;
- The Consumer Council produced 'Power to Switch', a research report to help remove consumer barriers to switching energy supplier. We worked with the Utility Regulator, Trading Standards and energy companies to ensure consumers received accurate information and fair play when switching energy suppliers;
- We worked with Translink and the Department for Regional Development (DRD) to ensure the 'Passenger Charter' asked the right questions of passengers to help improve the quality of Translink's customer services and information. We represented consumers in the NI Executive's review of flooding and created greater alliances with agencies involved in flood response, resilience and resistance work.

Aim: Championing and protecting the interests of all consumers

- The first UK interactive training event on payday loans was delivered by the Consumer Council to a group of 50 money and debt advisors, family

workers and essential skills tutors. This event helped them to empower their clients to understand the real cost of payday loans;

- Consumer Council staff worked with NI Water to improve the services received for consumers who signed up to its Customer Care Register. As a result, membership increased from 1,200 in April 2011 to over 1,800 in November 2011;
- We produce the A-Z Consumer Advice Handbook on an ongoing basis, an easy reference guide providing consumer information, legal advice and contact references for consumers, their representatives and those involved in advocacy, advice and information work. Over two thousand copies were disseminated to individual consumers and front line advice and community workers across NI;
- The Consumer Council worked with the NI Executive and other key stakeholders to ensure that consumer issues within the unregulated oil industry have been kept high on the agenda. Consequently, the Northern Ireland Oil Federation (NIOF) developed codes of practice with the aim of providing consumers with more protection and advice; In 2012 NI Consumers had access to independent complaints mechanism through the Consumer Council.
- The Consumer Council published the 'Hard to Stomach – the impact of rising food costs for NI consumers' research report which found consumers are worried about the cost of food and did not always trust special offers and pricing strategies. The report has won the support of the NI Assembly, industry representatives and food retailers have agreed to work with the Council in taking forward the recommendations;
- More consumers now have access to their money from free-to-use cash machines thanks to our ongoing work with MLAs, LINK and cash machine operators to identify suitable sites in low income areas in Northern Ireland. Since the programme began in 2006 we have seen 55 cash machines installed in areas of lower income;
- The Consumer Council continued its work with Ulster Bank and the Community Foundation to deliver a practical Affordable Credit pilot project with local partners in Ballymena and Derry. As a result, consumers

participating will be more financially capable, can manage their money better and choose financial products which best suit their needs.

Following evaluation, the Council will work with partners to make affordable credit accessible to more consumers in NI;

- During the Ulster Bank's technical failure in July 2012, the Consumer Council worked with the bank on behalf of consumers to ensure more branches opened for longer hours during this protracted period for customers. In December 2012 we published our report on the crisis, 'Payment Pending', and we continue to work with regulators, Government, other payment bodies and the bank so that lessons are learnt;
- During 2012 we agreed a number of changes with NI banks, including a review of branch opening hours, transparency of overdraft charges and foreign exchange fees and improved access to online banking. We continued to improve our personal current account banking manifesto based on consumers' feedback on what they want from their banks;
- The Consumer Council has worked with the Office of Fair Trading and Competition Commission and other key stakeholders over the past few years to ensure that Northern Ireland issues regarding the high cost of car insurance are high on the agenda. Consequently, the Commission recently issued its statement of issues into their investigation stating that they will investigate at market concentration issues specific to Northern Ireland.

Aim: Informing and empowering consumers

- The Council's statutory remit was extended as we were confirmed the Northern Ireland complaint handling body for the Maritime Passenger Rights Regulation (EU) No 1177/2010 which provides more protection for ferry passengers in NI;
- During 2012/13, the Consumer Council supported 100 trainers, advisors, community workers and political constituency staff at four 'Train the Trainer' workshops. Participants will use this training to empower an

estimated 9,500 consumers, helping them to make a complaint about financial products, services or businesses, settle disputes at the Small Claims Court, exercise their cross-border shopping rights and make their money go further;

- The Consumer Council produced a guide entitled 'Cross-Border Shopping - Know Your Rights' in November 2012. The Guide signposts shoppers to the relevant consumer organisations that help resolve their problems with faulty goods or services. Over 700 copies were disseminated to consumers and frontline advice and community workers in the Newry and Mourne area;
- As part of our statutory role to educate energy consumers, the Consumer Council has produced a range of information to help consumers reduce their energy costs:
- We launched 'Business Connect', a campaign developed with Invest NI and NI Water that promotes and provides water efficiency information to non-domestic consumers throughout Northern Ireland. As a result of this campaign the Consumer Council awarded 'Water Champions Gold' certificates to Allstate Northern Ireland and CAFRE's (College for Agriculture, Food and Rural Affairs) three college campuses at Greenmount, Loughry and Enniskillen.

Aim: Ensuring the Consumer Council is fit for purpose and delivering value for money

- During 2011-2012 a total of 115 customer satisfaction surveys were returned from consumers who had sought the assistance of the Consumer Council in the investigation of their complaint. This represents a return rate of 50 per cent. The customer satisfaction surveys returned showed a satisfaction rate of 97 per cent. We continue to use the feedback provided from consumers to improve the service delivered to consumers by both the Consumer Council and the relevant service provider;
- The Consumer Council was awarded the Investors in People (IiP) Good Practice Award in Health and Wellbeing. We were one of only six organisations in Northern Ireland to have achieved this award and the first

public sector organisation to achieve it;

- We developed a Knowledge Management Strategy in recognition that we need to continually transform as an organisation and be adaptable to a changing political, economic and social environment. This strategy sets out our plan to capture and use information from our employees and stakeholders and learn from it;
- A new complaint handling system was implemented on 1 April 2012. This has increased effectiveness in complaint handling and information management by reducing day to day administration;
- The Consumer Council facilitated three Service Provider Roundtable Meetings with Energy, Transport and Water service providers. These meetings have been instrumental in continually improving the service delivered to consumers in the resolution of complaints both directly by the service providers and also by the Consumer Council;
- During 2011-2012 the Consumer Council held 27 consumer panels across Northern Ireland, listening to the views and experiences of consumers on a variety of issues including, sustainability, energy, food concerns, transport and consumer proficiency. Their stories and opinions were used to shape all our work and ensure that the consumer voice is heard and taken account of by policy makers and at the highest levels in the NI Assembly and Westminster Government;

Evidence of expertise within or available to the organisation – e.g. legal advisers or case officers familiar with consumer law/dealing with consumer problems

Appendix F on legal and economic external expertise.

Legal advisers – Campbell & Caher Solicitors

Letter and ToR hardcopy

Evidence of the capability to put together reasoned super-complaints on a range of issues (e.g. examples of previous papers and research)

2004- NI Banking Market

Which? in conjunction with the Consumer Council for NI made a supercomplaint to the OFT outlining that consumers banking in Northern Ireland faced poor price transparency, excessive charges, low interest rates, and similarities suggesting weak competition and co-ordinated conduct.

The super-complaint led to a Competition Commission investigation which concluded that bank customers in Northern Ireland were not being offered competitive personal current accounts (PCAs) and that the banks would have to change.

The Competition Commission set out a list of legally binding remedies in February 2008 for the banks to implement. The Consumer Council welcomed these changes as consumers were given the information they needed to take control of their banking and to switch banks to get the best deal possible.

2011- NI Car Insurance Market

Following a formal submission from the Consumer Council in August 2011 the Office of Fair Trading (OFT) collected evidence in relation to motor insurance costs. The OFT agreed to give a specific focus to NI in their call for evidence and they found that there were differences between car insurance premiums between NI and Great Britain (GB). The main differences are:

- Insurance premiums paid by NI consumers are 11 per cent higher on average
- That historically this difference over the past five years was much higher.
- That insurance quotes for consumers in rural areas of NI are between

30 and 70 percent higher than quotes for consumers in the rest of GB.

In September 2012 the Office of Fair Trading (OFT) referred the UK private motor insurance market (PMI) to the Competition Commission for investigation (CC). The CC is required to determine whether relevant markets are working properly and whether any feature or features prevent competition with the supply or acquisition of any goods or services in the UK or any part of the UK. Following on from the OFT referral, the CC issued a statement of issues in December 2012.

The Consumer Council worked closely with the OFT throughout their market study into car insurance and we will continue to maintain a strong working relationship with the CC throughout the period of this investigation to ensure the voice of the NI Consumer is heard.

Other examples include:

2009- Cost of Paying <http://www.consumercouncil.org.uk/publications/?id=421>

2010-Consumer 2010 <http://www.consumercouncil.org.uk/publications/?id=561>

2011-Price of Being Poor <http://www.consumercouncil.org.uk/publications/?id=735>

2013 Hard to Stomach <http://www.consumercouncil.org.uk/publications/?id=972>

Evidence of being able to deal with any competition and economic issues involved in super-complaint cases

Internal expertise with external input when required.

Evidence includes:

May 2012-Submission to the Competition Commission's inquiry into the Phoenix Natural Gas Ltd Price Control determination.

Our key issues included:

- The Northern Ireland consumer pays more for their energy than consumers anywhere else in the UK and NI has the highest level of fuel poverty in the UK. The price of natural gas in the Phoenix Natural Gas (PNG) licence area has risen by 87 per cent since October 2003;
- In our view, the overarching public interest in the PNG Price Control is the impact that lower gas prices will have on existing gas using NI households, particularly those in fuel poverty and the potential groundswell of demand it could create for new connections to gas;
- Consumers in Northern Ireland will benefit from using natural gas so long as the price is kept as low as possible and they are able to connect to the network;
- The outcome of the PNG Price Control represents 25 per cent of the overall price of natural gas to consumers in the Greater Belfast and Larne areas;
- Consumers were not consulted in 2006/07 on the issues of Out performance and deferred capex which has resulted in them being expected to pay an estimated £240m over 40 years;
- The Regulatory principles employed by the Regulator in relation to outperformance and deferred capex are sound;
- The Rate of Return PNG is allowed is too high when assessed against GB comparables and does not reflect the risk the company faces going forward;
- The allowances on Marketing, Network Maintenance and IT are more than is required to run the business and the consumer is losing out;

- It is not clear whether there are any defined service standard outputs in the Price Control. The argument that the Price Control determination threatens the financing of future NI utility infrastructure projects is not supported by evidence but would benefit from further investigation by the Competition Commission.

<http://www.consumercouncil.org.uk/publications/?id=845>

2013 Briefing for MLAs on Competition Commission Inquiry into Motor Insurance

In September 2012 the Office of Fair Trading (OFT) referred the private motor insurance market (PMI) to the Competition Commission for investigation (CC). The Competition Commission is required to determine whether relevant markets are working properly and whether any feature or features prevent competition with the supply or acquisition of any goods or services in the UK or any part of the UK.

Following on from the OFT referral, the CC issued a statement of issues in December 2012. This brief is a summary detailing the range of issues that the CC intends to focus on.

The Consumer Council worked closely with the OFT throughout their market study into the PMI, we will continue to maintain a strong working relationship with the CC throughout the period of this investigation to ensure the voice of the NI Consumer is heard and consumers here are not at a detriment from unfair car insurance premiums.

In January 2013 the Consumer Council produced a briefing for MLAs on the issues the Competition Commission was reviewing as part of their Motor Insurance Inquiry.

A statement of willingness to co-operate as per criterion 4

The Consumer Council would be ready and willing to cooperate with the FCA and take account of any guidance issued by FCA.

We have a proven track record with working with the OFT using our super-complaint status in a responsible and measured manner.

If the organisation has a trading arm – an assurance that organisation will not make super-complaints about markets in which they have a commercial interest

The Consumer Council does not have any commercial interests.

If the organisation primarily represents or acts in the interests of businesses, evidence that it primarily represents or acts in the interests of small or medium-sized businesses persons.

Not applicable

A formal undertaking to notify the Treasury of any material changes to the information supplied which could be relevant to meeting any of the criteria

We will notify the Treasury of any material changes to the information supplied.

Information which is considered personal and not normally in the public domain, which the organisation wishes to be omitted when its application is placed on the Treasury website must be clearly identified

Appendices [REDACTED] E,F, [REDACTED] should be kept confidential

Any information which the organisation considers is relevant to whether the organisation meets the criteria for designation

Appendix A