

Essential Services Access Network

Annual Report and Accounts 2017-2018

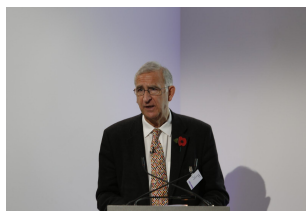


ESAN

The Essential Services
Access Network

ESAN is a Registered Charity number 1157865

Chairman's Introduction



The Essential Services Access Network (ESAN) continues to have a unique focus and a unique membership. Our focus is those regulated sectors which we judge to be essential to modern life: water, energy, communications and financial services. No other body has this specific focus. Our membership comprises regulators and ombudsman services on the one hand and consumer and advice groups on the other. No other body has this membership, which enables both the consumer and provider voice to be heard in crucial regulatory discussions.

As its name makes clear, ESAN is a network and its strength comes from bringing together parties who would not always be in the same room otherwise. So we have quarterly members' meetings and alternate the venue between regulatory members and consumer members. Additionally we produce a timely and informative quarterly newsletter with news on our four sectors and related regulatory developments. When resources allow, we hold public events and, in the past year, we had a very successful conference at the BT Tower to examine how consumers can be helped to access essential services of the best price and quality and with the best standards of service.

There can be no doubting the need for ESAN and the relevance of our work. We see constant media and political concern about the prices charged for our water and energy and the ownership and governance of water and energy companies. We see enormous interest in the price and quality of broadband and mobile services and growing worry about how well households manage their tightened finances. Regulatory decisions impact lives in very meaningful ways, but these are complex issues and the consumer voice too often is overshadowed by that of providers. ESAN helps to shine a light on these debates and ensure that the consumer voice is better heard.

As Chair of ESAN for the past three years, I should like to thank all our members for their subscriptions and attendance at meetings. I am always impressed by the calibre of attendees and the quality of our discussions.

Although ESAN is a small body, it is a charity and it does need to be run professionally. The trustees are not paid and give freely of their time and I am most grateful to my trustee colleagues: Matt Vaughan Wilson, Kathie Nissan and Simon Sapper (and to Paul Sahota before he stepped down) for their advice and support. We have a paid part-time network co-ordinator, Rosalind Stevens, who gives excellent value and I really appreciate her efficiency and reliability. The past year has been a strong one for ESAN and we look forward forward to an equally successful one.

Roger Darlington

About ESAN

The Essential Services Access Network (ESAN) is an independent, membership funded organisation. ESAN is a Charitable Incorporated Organisation (CIO), registered with the Charity Commission (registered charity number 1157865).

ESAN Aims and Objectives

ESAN's objective is to promote social inclusion for the public benefit by helping to prevent people who are in vulnerable circumstances from being socially excluded from essential services. It covers four of the sectors essential to modern life: water, energy, communications, and financial services.

ESAN is particularly concerned with issues such as access, affordability and vulnerability. In every case we want the consumer voice to be stronger and more influential. At its heart and as its name implies, ESAN is a unique network bringing together regulators and ombudsmen on the one hand and consumer and voluntary groups on the other. Our quarterly meetings and our monthly newsletters facilitate useful connections and relevant information. From time to time we organise events which extend our work to adjacent sectors such as transport, legal services and health services.

Full membership of ESAN is open to consumer bodies, voluntary organisations and individuals with relevant expertise. ESAN's full members include: Age UK, Antelope Consulting, Cedar Tree Advisory, Centre for Consumers and Essential Services (University of Leicester), Centre for Competition Policy (University of East Anglia), Centre for Sustainable Energy, Citizens Advice, Citizens Advice Scotland, Consumer Council for Water, Consumer Council for Northern Ireland, Different Petal, Money Advice Trust, National Energy Action, StepChange, Toynbee Hall, Turn2Us, and Zoe McLeod.

ESAN also offers an affiliate membership (non-voting) to regulators and other supervisory bodies including: Banking Standards Board, Financial Conduct Authority, Financial Ombudsman Service, Ofcom, Ofgem, Ofwat, Ombudsman Services, and Phone-paid Services Authority. Newsletter only subscriptions are also available.

ESAN Trustees

Roger Darlington, Chairman & Trustee



Since he took early retirement from his full-time employment as Head of Research at the Communication Workers Union, Roger Darlington has spent 16 years as a part-time portfolio worker representing consumers in regulated sectors. He has served on a variety of bodies including Postwatch, Consumer Focus, Communications Consumer Panel, Consumer Forum for

Communications, DCMS Consumer Expert Group, 4G/TV Coexistence Oversight Board, Good Things Foundation, Internet Watch Foundation, Nominet Policy Stakeholder Committee, EE External Advisory Board, Citizens Advice Post Offices Advisory Group, and South East Water Customer Challenge Group/Customer Panel. He became Chair of the Essential Services Access Network in January 2016.

Matt Vaughan Wilson, Vice-Chairman & Trustee



Matt Vaughan Wilson was elected as Vice Chairman and Trustee of ESAN in October 2015. Matthew is a Partnerships Manager at the Money Advice Trust. Prior to joining the Trust, Matt worked in teaching and research roles at the University of Birmingham, where he completed a PhD in History. Matt worked as a money adviser at National Debtline for several years, before moving into policy and business development roles for the Money Advice Trust. His key areas of interest are the energy and water sectors and small

businesses as consumers, particularly in relation to debt and financial difficulty.

Paul Sahota, Treasurer & Trustee (April 2018 - December 2018)



Paul Sahota's career spans over 25 years in the financial services sector across insurance, banking and asset management. Paul advises senior management teams on key aspects of strategy, financial/commercial performance, corporate governance, risk management and ultimately helps guide committees and boards to achieve strategic objectives. He has held senior positions at market

leading product and service providers such as Lloyds Banking Group, Aviva and Legal & General, and in a consulting capacity with Deloitte, KPMG and British Standards.

Simon Sapper, Treasurer and Trustee (from January 2018)



Simon Sapper has 30 years' experience as a senior national trade union official in the postal, telecommunications, and facilities management sectors. He has also served on government and industry regulatory bodies associated with legal services, media, and local government, and was an accredited Technical Expert to the European Commission on workplace health and safety. His other areas of expertise include ethics, governance, and civil liberties.

Simon has a Master's degree from the London School of Economics and is also a Low Pay Commissioner, a trustee of the Royal College of General Practitioners, Liberty, and Unions21, and founder of the Makes You Think consultancy.

Kathie Nissan, Trustee



Kathie Nissan is the Corporate Development Manager for the ESAN Member, Turn2us – a charity that fights UK poverty by providing access to benefits, grants and other forms of support to people who are struggling financially. Previous roles include Head of Business Development at legal advice charity LawWorks, Commercial Officer for Cycling UK, Contracts Manager for the Legal Services Commission and Manager of a debt advice centre for Citizens Advice.

ESAN Network Coordinator



Rosalind Stevens has substantial senior policy experience in regulation and consumer affairs operating in UK, European and global markets. Rosalind writes the monthly members' newsletter, manages the members quarterly meetings and special events, and takes care of the general management of ESAN and its website.

Review of the Year

Over the course of the year covered by this report (April 2017 to March 2018), ESAN held four network meetings for members and a one day conference aimed at a wider audience. The meetings were all well attended and covered a wide range of topics as outlined below. Members and subscribers have been kept abreast of latest developments through the regular newsletter.

Members meetings

25 April 2017 hosted by Turn2Us

The Chairman welcomed a new member of ESAN, the Banking Standards Board.

Charles Nancarrow and Rich Sullivan Jones from the National Audit Office gave the first keynote presentation: *Vulnerable consumers in regulated industries*. The [NAO report](#) looks at a range of issues: vulnerability in the round; consumer experiences; regulatory gaps and prioritisation; the respective roles and responsibilities of regulators and government; the need for more specific objectives and performance criteria to assess support and protection of consumers; and the role private companies play in supporting vulnerable consumers.

The second presentation was an overview of the work of Turn2Us from Kathie Nissan, Turn2Us Corporate Development Manager and ESAN Trustee. Turn2Us works with providers of essential services to link vulnerable people to the help they need. It has developed a range of digital services to better target that help. The Turn2Us unique interactive grant finder tool covers 3000 charities of various size and geographical spread. Turn2Us also offers an interactive benefits calculator, used both by claimants and MPs to help with their constituency case loads.

25 July 2017, hosted by the Phone-paid Services Authority

Jonathan Levack gave an overview of the role and work of PSA and the phone paid services market. The PSA, a statutory regulator through Ofcom delegation, had recently rebranded to make it clearer what the organisation is about and give consumers more clarity about its role. The UK phone-paid services market was worth £709 million in 2016-17 in terms of consumer spend. It covered a wide range of different services, which extended beyond premium rate. PSA's powers to fine can be a hefty deterrent where providers breach rules; with the level of the fine related in part to the revenue generated by the services provided.

Daniel Walker-Nolan of Citizens Advice (CA), gave the second keynote presentation: *The future of digital comparison tools (DCT)*. The [research study](#) had been undertaken in the context of the Competition and Markets Authority (CMA) Inquiry into DCT. DCT are fairly unregulated with many consumers struggling to use them. The study found that consumers tended to resent having to use multiple DCTs to compare prices; but that those convinced to considered switching were impressed by the level of savings on offer.

In addition to the keynote topics, Martin Coppack gave a presentation on the work of the Banking Standards Board (BSB), highlighting the BSB [annual assessment survey](#) and the forthcoming consultation on consumer outcomes.

25 October 2017, hosted by StepChange

Annual General Meeting

The members' meeting was preceded by the Annual General Meeting. Members approved the Minutes of the AGM held on 25 October 2016 without amendment. The Chairman advised that Paul Sahota wished to step down as Treasurer due to other commitments and thanked Paul for his valuable contribution to the network. The Chairman confirmed that the remaining officers/trustees were willing to continue to serve and Roger Darlington, Matt Vaughan Wilson and Kathie Clarke were duly re-elected. Members then formally approved the draft Annual Report and Accounts 2016-17 for publication.

Members meeting

The Chairman welcomed a new member of ESAN, Caroline Wells, Different Petal Consultancy, to the meeting

Matt Vaughan Wilson (MVW), acting in his capacity of Partnerships Manager for the Money Advice Trust, gave the first keynote presentation: *Debt, affordability and essential services: the view from the money advice sector*. The presentation was based on material from StepChange and Citizens Advice, as well as the Money Advice Trust. The presentation and discussion looked at the typical profile of clients; the type of arrears, the marked shift away from credit towards household debt; and the issues around managing repayments. Members agreed that different sectors needed to share their experiences and make a business case for debt advice.

For the second presentation, Tom Kiedrowski, Cedar Tree Advisory Service, gave an overview of the post General Election landscape. Tom summarised the discussions on consumer policy at the recent Conservative and Labour Party conferences. Members

discussed what the consumer landscape might look like post Brexit; and what might be in the long awaited Consumer Green Paper.

16 January 2018, hosted by the Financial Ombudsman Service

The Chairman welcomed Simon Sapper, Treasurer designate to the meeting. Members later approved his appointment as Treasurer as from January 2018.

Will Barnes and Kirsty Good of moneysavingexpert.com gave the first keynote presentation: *Sharper Teeth: The Consumer Need for Ombudsman reform*. The [report](#) was prepared at the request of the All Party Parliamentary Group on Consumer Protection. It focuses on ombudsmen but also covers the wider ADR framework. The key recommendations in the report were for (i) statutory powers (ii) improved oversight of Ombudsmen schemes and (iii) a shorter time scale for complaint escalation.

The second keynote presentation, *UKRN data sharing project*, was given by Dannii Leivers of Ofwat. The [project](#) was being undertaken jointly with Ofgem. One of the objectives was to make the data sharing process less stressful and more transparent. While the project was not targeted specifically at consumers on low incomes, regulators were making various provisions for affordability as well as vulnerability.

ESAN Conference, 12 March 2018

On 12 March 2018, ESAN held a [conference](#) in London's BT Tower to discuss "*What would really help consumers of essential services?*"

The conference was chaired by ESAN Chair Roger Darlington. Around 100 people attended the event. They represented regulators and ombudsman services, consumer and citizen groups, providers and companies, academics and the media.

A number of key themes emerged from the conference:

- There is great value in bringing together colleagues from different regulated sectors and learning from other sectors.
- There is a growing overlap of consumer and citizen issues which need to be articulated and traded-off.
- Competition and choice have provided limited benefits, especially where the product is undifferentiated or the consumer is someone in vulnerable circumstances.
- Being a consumer is not a full-time job and we should not expect consumers to devote too much time to making market choices.

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- Providers of essential services need to understand and then meet the needs of consumers. Providers should acknowledge that all their customers could experience vulnerability at some point in their lives, so their services should take this into account.
 - We all need a better understanding of the nature of vulnerability and the links between affordability and vulnerability.
 - The potential to use technology to improve the delivery of services was a recurrent theme. Several attendees mentioned the extent to which we could learn from the way that people in poorer countries are harnessing technology to meet their needs.
 - There is also much to be done to ensure that consumers are sufficiently protected, as corporate control over big data gathers pace.

Several actions emerged from the event:

- Consumer groups should take the opportunity to submit views to the new commission on vulnerability set up by Energy UK.
- ESAN should consider holding a small event to look at the case for a universal basic income.
- ESAN should consider looking at what works and proposed solutions as part of a future event.

ESAN would like to thank BT for its kind hospitality in hosting the event and to BT's Communications Manager, Dominic Stanley, and the BT Tower Team, particularly Dee Turner and Alan Dod for their IT support.

ESAN would also like to thank the conference speakers for their excellent presentations: Sharon Darcy; Tom Kiedrowski; Linda Lennard; James Plunkett; Hywel Lloyd; Claire Milne; Caroline Wells; Simon Crine; Aniela Kaczmarczyk; and Zoe McLeod; and to Adrienne Margolis for her excellent report of the event.

Finally thank you Rosalind Stevens for organising the day and to Esther Bradley, Halloumi Films, for editing the [conference videos](#), which are available on the ESAN website.

Governance

ESAN has in place a comprehensive but proportionate system of management and controls is in place which is kept under regular review. The Trustees met three times over the course of the financial year to review governance matters and plan future meetings. Issues discussed included the transfer of the ESAN bank account; ESAN's approach to reserves; the budget for a public event; ESAN's approach to risk; and secure document storage. Kathie Nissan drafted the IT policy, which Trustees approved. The Chairman drafted the overarching ESAN [strategy](#), which members approved.

Financial Summary

Summary of accounts

ESAN's financial position continues to be healthy. Its activities are funded by membership subscriptions and by some subscriptions to our regular newsletter. Subscription fees were held at last year's levels following agreement at the 2017 AGM.

We are grateful to members and affiliate members who continue to provide accommodation for ESAN's meetings during the year.

We are thankful to BT for the provision of the facilities for the Conference, which helped to keep expenditure crucially within budget.

Below is a summary of our financial information for the year to 31st March 2018:

- The total income for the year was £ 15,213.
- Total operating expenditure was £ 15,464.
- Total expenditure relating to Conference £ 3,000.
- Net income (income received in the year less expenses incurred in the year) was £ -251
- Opening bank balance for the financial year was £ 10,901.03
- Closing bank balance for the financial year was £ 13580.31.

ESAN Income and expenditure 2017-18

ESAN INCOME AND EXPENDITURE 2017/18	TOTAL
INCOME	£
Membership:	
<i>Individual</i>	293
<i>Voluntary/other</i>	3,580
<i>Regulator</i>	6,020
<i>Statutory</i>	5,320
Publication Subscriptions:	
<i>Corporate</i>	1,160
<i>Voluntary Organisations</i>	120
TOTAL INCOME	15,213
EXPENDITURE	£
<i>Fees to network administrator</i>	12,093
<i>Web maintenance</i>	371
<i>Conference</i>	3,000 (see note 1)
TOTAL EXPENDITURE	15,464
NET INCOME	-251
Bank balance	
<i>Opening at 01 Apr 2017</i>	10,901.03 (see note 2)
<i>Closing at 31 Mar 2018</i>	13,580.31(see note 3)

Notes:

1 £858.80 of Conference expenses were debited after 31 March 2018, and will therefore be shown in the next report/set of accounts.

2 There is a variance between the closing balance on 31 March 2107 and the opening balance on 1 April 2017. This arose when ESAN's bankers allocated a new account to us, but delayed making a full transfer of the funds from our old account. The variance of £982 has been fully accounted for and our concerns relayed to the bank.

3 Of this sum, £12,940 is already committed.