



ESAN

The Essential Services
Access Network

2018 Conference Report

What would really help consumers of essential services?

INTRODUCTION

On 12 March 2018, the Essential Services Access Network (ESAN) held a conference in London's BT Tower to discuss "*What would really help consumers of essential services?*"

ESAN is a network that brings together regulators and ombudsman services with consumer and voluntary groups in the water, energy, communications and financial services sectors. It aims to promote the interests of consumers in vulnerable circumstances and to ensure that consumers' interests are properly weighed by regulators and ombudsman services in the four sectors.

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.

MORNING SESSIONS

The first session set the scene by outlining the future context for the provision of essential services. **Sharon Darcy**, Director, Sustainability First, tackled issues including the ageing population, environmental challenges, continued austerity and the changing nature of vulnerability. Sharon noted that there has been a rapid pace of change in the delivery of services and that consumer safeguards

are struggling to keep up. *“The future is a very uncertain place,”* she said. *“The question is how to develop a coherent view putting consumers at the centre of services.”*

In the discussion following her presentation, Sharon suggested that services need to be inclusive by design. *“We need to think how to involve a full range of users in demystifying algorithms and understand how they are used. We also have to accept a massive leap in consumer protection”*, she said.

The second session, entitled ‘Listening to the voices of consumers in vulnerable circumstances’, showed three video clips of consumers describing their experience of using essential services. These clips came from ESAN members: the Financial Conduct Authority, Turn2Us, and Citizens Advice. Several consumers in the clips were frustrated by how much time they needed to spend trawling the Internet for different options. *“Life is too short to spend five hours working through the website”*, a consumer looking into pensions remarked. *“There is a limit to the amount of expertise I want to acquire.”*

ESAN trustees **Kathie Clark** of Turn2Us and **Matt Vaughan Wilson** of Money Advice Trust highlighted some of the issues raised by these clips.

Picking up on this theme, the third session explored how real choice is and how it is exercised. It explored whether competition is currently working for consumers, particularly those in vulnerable circumstances.

“How many people want to wade through energy tariffs? It’s not like buying a kettle from Amazon”, **Tom Kiedrowski** of Cedar Tree Advisory Service asked. He recalled that when essential services were privatised, the idea was to regulate initially, then leave everything to the market. *“This has clearly not happened in the last 30 years. Intervention on behalf of consumers is needed to drive prices down”*, he said.

Linda Lennard of the Centre for Consumers & Essential Services at Leicester University noted an absence of suitable products for vulnerable people. *“Great progress has been made by regulators in recognising vulnerability, but much of the difficult stuff is still left to do”*, she told the conference. *“Progress does not amount to a hill of beans if in another part of the company prices are being put up, loyalty is not being rewarded”*, she added.

In the discussion, **Sue Lewis** of the Financial Services Consumer Panel pointed out that being a consumer is not a job and that this has to be recognised by essential service providers. *“The idea that comparison sites help with competition is complete nonsense”*, she said. *“Switching through comparison websites is like trying to find a carpet in an Istanbul market, when you are buying an essential service.”*

The fourth session discussed whether switching providers was a solution or a problem for consumers.

James Plunkett, Director of Policy & Advocacy at Citizens Advice, warned that big data is making it increasingly clear who is switching, so companies will be able to give consumers who switch a good price and ignore the rest. *“It is easier to use big data if you are a large company rather than a consumer with no ability to fight back”*, he said, adding that government intervention would be needed to protect consumers.

Hywel Lloyd, Associate Director for the Environment, Housing and Infrastructure at the Institute for Public Policy Research, warned that, because data is not public, start ups cannot set up, particularly for vulnerable consumers. *“We need a vibrant innovation culture to reach vulnerable people”*, he said. In his view, companies should consider all customers vulnerable, until they can show they are not.

AFTERNOON SESSIONS

The fifth session explored the links between affordability and vulnerability.

“We must not allow a new focus on vulnerability to lose sight of affordability”, **Claire Milne** of Antelope Consulting warned. *“It may be easier to get staff to be sympathetic about vulnerability, but for a company to do nothing about affordability.”*

Caroline Wells, an expert in accessible and inclusive customer service, said that customers must be ready to talk about vulnerability and *“companies must be ready to catch them when they fall”*. She noted that frontline staff themselves need support, and are often going through the same experiences as vulnerable customers. *“There is a real link between employee engagement and vulnerable customers”*, she said.

Simon Crine, Interim Director of the Money and Mental Health Policy Institute, drew attention to the extent to which we are all vulnerable to mental health problems. *“At any point one in four of us has mental health problems. Don’t compartmentalise – it’s a very big compartment.”* Solutions that work for people with mental health problems will make things better for all consumers everywhere, he suggested.

The sixth and final session explored the opportunities the digital world could provide.

Aniela Kaczmarczyk, Head of Learning at the Good Things Foundation, highlighted that 11.6 million people do not have access to the Internet or do not have the skills and confidence to use it. Working with organisations in the community such as libraries, food banks and shops, her foundation helps more than 200,000 people a year acquire digital skills. Being online is estimated to save households an average of £744 a year.

Sustainability First Associate **Zoe McLeod** returned to the potential to use data to provide better support for vulnerable customers. For example, there is scope for automatic switching, and we need to see how we can harness that.

“Companies must understand customer needs in order to meet them”, she pointed out. “At the moment they have not properly understood the needs of customers.”

In the discussion, **Tom Marsland** of Energy UK explained that his organisation has launched a new Commission for Customers in Vulnerable Circumstances to explore how standards of care and support could be improved. The Commission will be independently chaired by Lord Whitty.

CONCLUSION

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.
- 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 the 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.

Adrienne Margolis

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