

**Consumer
Scotland**

Luchd-Cleachdaidh Alba

Summary of responses to consultation on Draft Work Programme 2023-2024

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1. Overall Summary

- 1.1 As part of Consumer Scotland's commitment to ensuring that consumer interests are at the heart of a fair, transparent and sustainable economy in Scotland, we engaged with government, regulators, business and consumer organisations to inform the development of our annual Work Programme for 2023-2024.
- 1.2 This document summarises responses to the consultation on our Draft Work Programme for 2023-24. The consultation period ran for four weeks in January and February 2023 and the final Work Programme.
- 1.3 The Draft Work Programme sets out our priorities for the coming year across a range of sectors including energy, water and postal services. It also covers key markets in the wider economy, our cross-market work and the development of our work relating to the Consumer Duty on public bodies, our investigations function and information for consumers.
- 1.4 Working collaboratively continues to be central to our approach and the Draft Work Programme proposed workstreams that would seek to add value rather than duplicate the work of other advice, regulatory and enforcement bodies.
- 1.5 Feedback from the consultation on the Draft Work Programme has been used to inform Consumer Scotland's final Work Programme, which has been published alongside this document and Consumer Scotland's first four-year Strategic Plan, and laid before the Scottish Parliament.
- 1.6 We received 24 formal responses to our consultation from organisations (and one individual) across the UK. As part of the consultation process, we also held meetings with stakeholders to discuss the overall programme and its proposed activities, workstreams, priorities, themes and outcomes. We are grateful to all those who provided feedback.
- 1.7 The formal and informal feedback received during the consultation process has provided generally strong support for the proposals set out in the Draft Work Programme.
- 1.8 All respondents offered broad support for the themes and expressed a desire to collaborate with Consumer Scotland in the co-delivery of the proposed activities in the Draft Work Programme. There was a recognition of the work we have already conducted in relation to the levy areas of energy, post and water and recognition of our commitment to developing evidenced based approaches and consumer-centric solutions.
- 1.9 Notwithstanding the broad support, a range of general and more specific suggestions were made in relation to the content of the Draft Work Programme. The common theme amongst the general comments was a strong desire that Consumer Scotland

collaborates closely with partner organisations, as it develops its work programme plans in more detail, to avoid any unnecessary duplication.

- 1.10 The rest of this document summarises the more specific responses to our draft work programme, structured according to the proposed activities, workstreams, specific market areas and themes on which we consulted. The organisations that formally responded to the consultation are listed in Appendix 1.

2. Cross-cutting themes

- 2.1 The rest of this document summarises the more specific responses to our draft work programme, structured according to the proposed activities, workstreams, specific market areas and themes on which we consulted. The organisations that formally responded to the consultation are listed in Appendix 1. Respondents welcomed the cross-cutting themes of **'tackling the cost of living'**, **'climate change mitigation and adaptation'** and a **'focus on consumers in vulnerable circumstances'**. Respondents generally communicated a belief that these themes are of equal importance and are relevant to Consumer Scotland's levy areas of Energy, Water and Post, as well as to the wider range of markets that we cover. In the context of energy, one respondent referred to the way in which the 'energy trilemma' (energy security, energy equity and environmental sustainability) cut across all these themes.

- 2.2 In relation to **'tackling the cost of living'**, respondents drew attention to the following as issues for Consumer Scotland to consider a focus on:
- The importance of providing support to "off-grid" consumers who face additional challenges in relation to energy costs and adopting low carbon fuels.
 - The importance of work around consumer retail issues such as price displays and practices in shops.
 - Food costs (cited by more than one respondent).
 - One respondent linked the cost of living crisis with the exploitation of consumers by unscrupulous traders and through scams and called on Consumer Scotland to work with stakeholders to develop effective messaging for consumers and ways of collecting data on related consumer concerns and issues.

- 2.3 In relation to **'climate change mitigation and adaptation'**, several respondents cited the importance of the proposed work on consumer and community perceptions and emphasised how this could provide valuable insights for policy development. Several respondents cited the need to ensure a 'just transition to net zero' that takes into consideration the cost of living and the needs of vulnerable consumers. One respondent pointed to the need to consider the trade-offs that are involved in climate change initiatives such as the tension between recycling goods and ensuring product safety. One respondent raised the importance of considering how work on public infrastructure such as roads can have a significant environmental impact and that Consumer Scotland's work programme should consider how these negative impacts could be mitigated.

- 2.4 In relation to the ‘**focus on consumers in vulnerable circumstances**’, one respondent felt that the most significant area of focus should be the formulation of safeguards such as a ‘social tariff’ for the most vulnerable energy consumers. Several respondents emphasised the importance of considering how consumers in vulnerable circumstances are defined with some vulnerabilities being temporary or context-specific, while others are more structural and long-standing. One respondent suggested that there is potential for Consumer Scotland to extend its focus on consumers in vulnerable circumstances to areas like care homes, children’s nurseries and wedding venues. One respondent emphasised the importance of Consumer Scotland working with stakeholders to protect consumers in vulnerable circumstances through effective trading standards services.

3. Research and analysis

- 3.1 Of the respondents that directly commented on this section of the Draft Work Programme, all identified research and analysis as being important and an area in which Consumer Scotland could add real value.
- 3.2 Most respondents suggested that the research and analysis function will be critical to informing not only the future work of Consumer Scotland but also the work of other organisations involved in consumer policy, advocacy and enforcement.
- 3.3 Most respondents emphasised the importance of collaboration and expressed a willingness to work with Consumer Scotland in areas of mutual research interest.
- 3.4 One of the respondents viewed the proposed research into consumer attitudes around the just transition to net zero as a key priority for Consumer Scotland. One respondent pointed to the need for a degree of urgency in delivering outcomes which will support consumers with the net zero transition given that the 2030 deadline for reducing emissions by 75% is fast approaching. The same respondent suggested that Consumer Scotland’s research efforts could be targeted towards areas where there are significant evidence gaps such as the issues around the accessibility and affordability of new and emerging technologies associated with the net zero transition.
- 3.4 The creation of the Consumer Welfare Report was welcomed by one of the respondents who suggested that it would be beneficial if stakeholders could be kept informed on the development of the format and scope of the report.
- 3.5 Given the current pressures on household budgets, the proposed focus on alternative pricing and charging strategies was viewed by one of the respondents as being particularly important. The respondent cited the example of unit pricing in supermarkets and online retail as being an area in which consumers should have access to clear and comparable price information in relation to everyday essentials.

- 3.6 One respondent commented that due to the limited resource available for consumer protection enforcement work, any additional evidence that Consumer Scotland could generate in relation to where consumer harm is most prevalent and where resource should be directed would be useful.
- 3.7 One respondent expressed a desire to learn how Consumer Scotland will involve consumers in their research with a view to understanding if the research could inform enforcement work.
- 3.8 One respondent stated that it would like to see a reduced emphasis on commissioning new research in certain areas where evidence bases are already well developed. The respondent felt that less emphasis should be placed on identifying barriers and issues and that Consumer Scotland should place more emphasis on advocating solutions. The same respondent cited the issues experienced by consumers in vulnerable circumstances as being well documented and suggested that further research is unlikely to generate any new or significant findings. Therefore, the respondent felt that effort could be directed towards interrogating the existing evidence base and developing strategic interventions that could be deployed into multiple markets.

4. Cross-market consumer issues

- 4.1 There was strong support for Consumer Scotland's focus on **placing consumers at the centre of net zero** so that consumers are engaged in the process and adequate support mechanisms are established. One respondent suggested that work in this area is inherently strategic and would help deliver the intent set out in the Consumer Scotland Act 2020.
- 4.2 The focus on **consumers in vulnerable circumstances** was welcomed and one respondent emphasised the importance of Consumer Scotland viewing this area as complex and multifaceted and of giving due consideration to market (e.g. rural exclusion), person (e.g. age), temporal (e.g. health issues) and informational variables.
- 4.3 The feedback indicated strong support for Consumer Scotland's focus on **affordable essential goods and services** and emphasised the need for all consumer organisations to do all they can to alleviate pressures on household spending.
- 4.4 In relation to the two cross-market consumer issues of consumers in vulnerable circumstances and affordable essential goods and services, one respondent emphasised the need for close collaboration with stakeholders to ensure complementary activity, the avoidance of duplication and the maximisation of consumer outcomes.
- 4.5 All respondents were supportive of Consumer Scotland's role in the establishment and effective operation of the **Consumer Network for Scotland** which has the

potential to bring together organisations that have the same broad aim of achieving better outcomes for consumers and wider society. One respondent viewed this network as being important for navigating the complex consumer protection landscape in Scotland and another hoped that the network could be a galvanising and unifying force at the centre of the wider consumer landscape in Scotland.

- 4.6 The perceived importance of the Consumer Network for Scotland was placed by one respondent in the context of a reduction in trading standards' local resources which could bring challenges to enforcement capacity and potentially expose consumers to rogue traders and scammers. The respondent suggested that through the Consumer Network for Scotland and by working collaboratively with trading standards and consumer protection stakeholders, Consumer Scotland may wish to consider a forward assessment of the risks to consumers from a significantly depleted enforcement resource.
- 4.7 One respondent cited the importance of the Consumer Protection Partnership but suggested that this body does not specifically focus on the issues that are unique to Scottish consumers and markets. The respondent felt that this gap could be filled by Consumer Scotland's leadership role in the Consumer Network for Scotland.
- 4.8 Respondents who are current members of the Consumer Network for Scotland expressed a commitment to working collaboratively with Consumer Scotland and other members of the network with a view to making it an effective coordinating forum. One respondent expressed a desire to join the network, something that we will take forward with the relevant organisation.
- 4.9 In commenting on this section of the Draft Work Programme, one respondent suggested that it would be helpful if consumer outcomes were more clearly defined and that consumer outcomes could be the overarching focus of the document. The respondent felt that this would assist Consumer Scotland in maintaining a delivery focus on outcomes, rather than on research or other outputs, and that it would help stakeholders to understand the value that Consumer Scotland will seek to deliver.
- 4.10 In relation to Consumer Scotland's proposed engagement with the review process of the **National Performance Framework**, one respondent suggested that Consumer Scotland should take a more active and confident leadership role in shaping and contributing to consumer outcomes in the refreshed framework. The respondent suggested that the Draft Work Programme should indicate a clear intent by Consumer Scotland to contribute to the framework with a view to delivering desired consumer outcomes.
- 4.11 All those who commented on this section of the Draft Work Programme expressed a general desire to collaborate with Consumer Scotland and emphasised the importance of engaging and sharing insights.

5. Energy

- 5.1 The greatest volume of feedback was received in relation to the energy section of the Draft Work Programme and much of the commentary from stakeholders reflected similar issues and themes to those in the programme.
- 5.2 The proposed areas of energy policy work were generally well received, and respondents commented favourably on work that Consumer Scotland had already completed in the energy landscape.
- 5.3 **Energy affordability:** there was strong interest in Consumer Scotland's proposed work around energy prices and affordability and how this intersects with the wider need for decarbonisation and energy security. One respondent suggested that Consumer Scotland should prioritise working with the Government and Ofgem to develop enduring affordability safeguards such as a social tariff for the most vulnerable consumers. Another respondent pointed to geographic inequalities in that consumers in rural areas are more exposed to energy affordability issues. Overall, there was a general consensus that energy affordability is a critical issue for Consumer Scotland and that it intersects with other aspects of the Draft Work Programme.
- 5.4 **A fair and sustainable energy market:** there was widespread support for Consumer Scotland's proposals in this area and a belief that they will help to meet the needs of all energy consumers and support the transition to a more sustainable energy future. One respondent emphasised the need for Consumer Scotland to look beyond the Energy Price Guarantee protection which (at time of writing) is due to end in March 2024 and to start to consider new arrangements such as a social tariff that would complement other market reforms aimed at promoting a fair and sustainable energy market. The respondent emphasised a need to drill down into difficult issues around data adequacy and data sharing powers and the need to put in place legislation and tools for a smarter approach to providing energy bill support in a cost effective, targeted and fair way.
- 5.5 **Tackling fuel poverty:** there was general support for Consumer Scotland's focus on fuel poverty. Respondents supported Consumer Scotland's input to the review of the Fuel Poverty Strategy. Several respondents pointed to a need to focus on rural areas where incidences of fuel poverty are much higher.
- 5.6 Another respondent considered that Consumer Scotland could have a role in providing fuel poverty information and advice that it would have the potential to fill a vital gap for those who are experiencing fuel poverty.
- 5.7 However, several respondents also noted that there are a range of organisations working on fuel poverty in Scotland, and care needs to be taken to minimise the risks of duplication. Several respondents stressed the need for collaboration between Consumer Scotland, service delivery organisations and consumers. More than one

organisation felt that this section of the work programme could benefit from identifying more specific, actionable deliverables.

- 5.8 **Energy efficiency regulation and consumer take-up of low carbon technologies:** whilst all respondents recognised the importance of Consumer Scotland's proposed work in this space, many also highlighted some of the challenges and made some specific suggestions. Several respondents noted how energy efficiency regulation intersects with affordability, the cost of living crisis and the transition to net zero.
- 5.9 Several respondents envisioned a future role for Consumer Scotland as an organisation providing independent and reputable advice or signposting for consumers looking to decarbonise their homes or improve energy efficiency. The need for this was frequently seen to be justified by the issue of 'low consumer awareness' around energy efficiency and low carbon technologies and the lack of evidence in relation to the effectiveness of the energy efficiency programmes that currently exist.
- 5.10 The need for better support and advice was also seen to be justified by a shortage of reputable firms working in the energy efficiency sector. Consumer protection in the home retrofit market was cited by one respondent as an important area for Consumer Scotland to work with Government and advice agencies due to the increase in new entrants (with perceived varying degrees of quality and competency) to the low carbon technology market. The risk of poor quality installations and/or misleading customer information on potential benefits was cited. One respondent portrayed Consumer Scotland as a potential champion of higher standards and on-site checking/review processes in the home retrofit market.
- 5.11 One suggestion was that Consumer Scotland could be involved in evaluating the impact of energy efficiency measures introduced to-date. Attention was drawn to the Scottish Government's intention to introduce energy standards for the private rented sector with one respondent querying how any new standards would be implemented given a historic lack of regulatory compliance in this sector. One respondent stated that they would like to see Consumer Scotland engage with the hydrogen ready boiler component of the 'improving boiler standards and efficiency' consultation and to consider engaging in hydrogen for heat more broadly. The respondent cited the potential for Scotland to lead the way in the take-up of hydrogen for heating and hydrogen boilers.
- 5.12 Another respondent emphasised a need for support to be provided to agencies that offer face to face energy efficiency advice to consumers and that Consumer Scotland could have an important role to play in this. The same respondent raised concerns that were not explicitly addressed in the work programme in relation to support agencies being contacted by consumers that are experiencing great difficulties contacting their energy suppliers and/or receiving poor customer service from them.
- 5.13 **The experience of off-grid consumers in the cost of living crisis and the transition to net zero:** many respondents indicated the importance of considering the issues

faced by off-grid consumers. Respondents cited the disproportionate challenges faced by these consumers and their additional support needs, especially in relation to low carbon technologies as many of these consumers use fuels with some of the highest emissions. One respondent pointed to off-grid fuels such as heating oil and LPG being relatively unregulated compared to mains gas and electricity, which could leave consumers and small businesses exposed, and that Consumer Scotland should work with stakeholders on this issue. The respondent suggested that Consumer Scotland could investigate this issue.

- 5.14 **Heat networks:** there was a high level of support for Consumer Scotland’s proposed work in this area. One respondent pointed to the need for more and better information for households considering connecting to heat networks so that they are aware of differences between heat networks and individual heating systems. Several respondents offered to collaborate with Consumer Scotland if the proposed work on heat network licensing is taken forward.
- 5.15 **Uptake of electric vehicles:** our proposals in relation to electric vehicles were generally well received. Respondents highlighted roles for Consumer Scotland including:
- The scope to share insights between Scotland and NI, given the similar developmental stage of both markets in terms of uptake.
 - The case for Consumer Scotland to work with the government on building consumer confidence in the electric vehicle charging market and informing future market arrangements to reflect consumer needs. This could include addressing key consumer concerns in relation to the public electric vehicle charging network through input to regulations and the signposting of consumers to the electric vehicle chargepoint grant for those who rent or live in flats.
 - Helping to progress complaints handling processes in relation to the voluntary code of practice developed with EVET (Electric Vehicle Energy Taskforce).
 - Engaging with government to address the perceived ‘slow and patchy’ rollout of electric vehicle infrastructure in Scotland, particularly in rural areas.
- 5.16 **Smart meter rollout:** there was strong support for our proposed activities in this space. One respondent suggested that Consumer Scotland could focus on gaining insights into how to communicate with the most vulnerable/least engaged consumers in relation to smart meter benefits. Engagement with SEGB (Smart Energy GB) was suggested by one respondent as being beneficial to Consumer Scotland, particularly in relation to issues around smart meter installer capacity in Scotland. The same respondent drew attention to a recent DESNZ (Department of Energy Security and Net Zero) report in relation to payments made by electricity suppliers to customers under the Energy Bills Support Scheme and suggested that these findings could inform our research activities. Another respondent drew attention to the National Audit Office’s inquiry in relation to smart meters which will consider enhancing the consumer experience of the smart meter rollout and emphasised the importance of Consumer Scotland engaging in this process. Several respondents indicated their support for any work or research around specific barriers to smart meter uptake and one respondent pointed to a large increase in

complaints in relation to a lack of smart meter connectivity and hardware issues. Whilst agreeing that better consumer information is required around smart meters, one respondent drew attention to the need to address the issue of smart meters being switched to operate as pre-payment meters by energy suppliers remotely and without agreement from consumers. In view of this, the respondent stated that it would welcome an assessment of the harm caused to consumers through the imposition of pre-payment meters. The same respondent cited a relationship between use of illegal money lenders and reliance on pre-payment meters, which exacerbates financial problems and suggested that these types of intersected issues should be investigated. Another respondent emphasised the importance of focusing on barriers to maximising smart meter benefits, specifically technical issues such as limited access to a Wide Area Network signal or restrictions on smart meter operability caused by thermal constraints on the electricity distribution networks (load managed areas). The respondent drew attention to the need to take into account the geographical nuances of Scotland in relation to these issues.

- 5.17 **Networks:** there was support for our proposed activities in this area. The focus on electricity networks was welcomed as being critical for a just transition to a net zero energy system that can cater for demands placed on it by electric vehicle uptake and heat decarbonisation. One respondent suggested that Consumer Scotland could focus on understanding consumers' views in relation to RIIO (i.e. Ofgem price model for gas and electricity network companies) price controls and provide input to organisations that are engaged in the RIIO-GD3 business planning process. Another respondent however queried the Draft Work Programme's references to RIIO periods and suggested that it could be made clear that the Transmission and Gas Distribution period 2 is live and running until 2026. More generally, respondents supported Consumer Scotland's role in ensuring that consumer perspectives are fully supported in the regulatory process for energy networks and in finding ways of engaging consumers in the deployment of new infrastructure.
- 5.18 **Big Energy Savings Winter Campaign and Big Energy Savings Network:** respondents were generally supportive of these initiatives as a means of providing practical and accessible information to those in fuel poverty. One respondent also pointed to the perceived low take up of energy rebate vouchers this winter for those on prepayment meters, and cited this as evidence of the need for effective consumer information strategies.

6. Post

- 6.1 There was generally strong support for the proposed post workstreams and areas of focus although fewer organisations had knowledge or expertise in this sector and comparatively (compared to energy) less feedback was received.
- 6.2 Several respondents cited the importance of focusing on issues (including surcharges for certain consumers) around the internet facilitated delivery of parcels and emphasised the need for collaboration with relevant stakeholders. There was a

general consensus that consumers in remote and rural areas faced higher levels of detriment and required additional support and appropriate solutions. One respondent suggested that postal consumers in remote and rural areas may experience multiple intersectional layers of detriment and that Consumer Scotland may wish to prioritise this issue.

- 6.3 One respondent suggested that Consumer Scotland could use the Consumer Protection Partnership as a forum to engage in efforts to resolve issues in relation to rural parcel deliveries such as certain consumers paying more for parcel deliveries due to their location.
- 6.4 In relation to all of the Post workstreams set out in the Draft Work Programme, one respondent emphasised the importance of Consumer Scotland working in partnership with others, to avoid duplication of effort, ensure a focus on issues where there is consumer harm or detriment and ensure value for money.
- 6.5 in terms of the **affordability of postal services**, one respondent emphasised the importance of the proposed work around the affordability of 2nd class postal products and in relation to Ofcom's review of safeguard caps. One respondent communicated a desire to collaborate with Consumer Scotland around any issues raised in the research that Consumer Scotland undertook in relation to the costs of universal postal services and perceptions of affordability in 2022/23, and requested confirmation that Consumer Scotland will not commission any new research in 2023/24 in his area. The same respondent expressed a desire to work with Consumer Scotland in relation to our research driven response to Ofcom's review of safeguard caps.
- 6.6 **Access to postal services** was cited by one respondent as a fundamental right for consumers and this respondent strongly supported Consumer Scotland's focus on this issue. The respondent pointed to research in Northern Ireland around the negative impacts on vulnerable people who are unable to access their post due to not having a fixed address or by having their mail intercepted. The respondent recommended that Consumer Scotland should focus on generating evidence in relation to any Scotland specific challenges and potential solutions.
- 6.7 One respondent offered to work with Consumer Scotland as it moved through the process with the Government and Ofcom in order to reach a positive outcome for consumers. The respondent requested clarity around whether Consumer Scotland intends to commission any new research in this area in relation to postal exclusion.
- 6.8 In terms of the **access to postal services: parcels** section of the work programme, the growth in e-commerce and associated deliveries was cited by more than one respondent as a reason to prioritise a focus on the price, quality of service, consumer protection measures, innovation and adequate support for delivery related problems. One respondent suggested that there must be a reduction in delivery related problems such as delay, loss and damage, and parcels being left in inaccessible locations for those with a disability. The same respondent also indicated

that it would be important to understand the future role of pick up and drop off points for consumers collecting parcels.

- 6.9 One respondent suggested that a clear focus on parcel surcharging could be a relevant workstream given that it could impact on certain consumers, particularly in rural areas. The respondent also pointed to an issue around consumers not having the option to select a parcel operator and that Consumer Scotland may wish to advocate more transparency around the nature and extent of parcel surcharging by different parcel operators.
- 6.10 The **ensuring access to post office services in Scotland** section of the work programme was well received with one respondent opining that the post office network provides consumers and small businesses with vital access to a range of highly valued essential services. In view of this, one respondent indicated that they would welcome any research around emerging consumer detriment issues in this area. One respondent conveyed its recognition of the importance of post offices, particularly to vulnerable consumers and those in more rural and remote communities, but expressed concerns that research in this area has been conducted by other organisations and suggested that Consumer Scotland should avoid duplication.
- 6.11 There was general support around our focus on the **decarbonisation of postal services**. One respondent pointed to the very limited independent evidence and analysis on the extent and nature of this potential detriment, with most work being undertaken by providers as part of their internal environmental monitoring processes. The same respondent conveyed a strong belief that the postal market must progress towards net zero and suggested that it would support any efforts by Consumer Scotland to engage consumers in this journey. One respondent pointed to related work that it is conducting in this area, regarding to carbon emissions and parcel deliveries, and suggested that Consumer Scotland may wish to engage with this initiative and avoid work that may constitute duplication.
- 6.12 One respondent suggested that Consumer Scotland may wish to consider focussing on new postal service providers that enter the market in terms of their ability to deliver value for money and an efficient service.
- 6.13 Whilst most feedback on this section of the draft work programme was positive, some respondents also raised some reticence about some aspects of it. One respondent for example suggested that access to postal services is an area of the work programme that might be suitable for de-prioritisation. The rationale behind this suggestion was that there are significant levels of competition in the area of postal services and reduced demand for traditional services.
- 6.14 One respondent emphasised the importance of ensuring that Consumer Scotland's work on postal markets delivers value for money and that it must be focused on activity that has the potential to deliver demonstrable benefits to consumers, while avoiding duplication with other work in the market.

7. Water

- 7.1 Although there was a relatively (compared to energy) small number of respondents who provided feedback on our water proposals, comments were generally positive. One respondent praised the focus on consumer centric policy development that runs through the work programme and opined that this is clearly evident in Consumer Scotland's commitment to work with the Scottish Government on its review of policies in the water sector.
- 7.2 In relation to our proposed work around the **transition of surface water management towards climate adaptive approaches**, one respondent suggested that emphasis should be given to consumers' perceptions of scarcity-related aspects of climate change, as well as surface water management and flooding issues. Another respondent suggested that Consumer Scotland should consider the link between surface water management and work proposed on the National Performance Framework. This respondent did query the focus on community management of rainwater and requested clarity on whether there would be an individual consumer/householder element to this work, such as a focus on the management of surface water at a property level. This respondent also communicated its view that Consumer Scotland's role should be one of shaping and informing policy around building regulations and community and consumer responsibility for the management of surface water.
- 7.3 The proposed activities on **consumer perceptions and behaviours around water use, pollution and climate change** were supported by one respondent who also emphasised the importance of recognising the link between hot water and energy in the context of high energy bills and energy consumption. Another respondent suggested that the focus could move beyond perceptions and behaviours to address consumer needs and expectations. One respondent agreed that work in relation to perceptions and behaviours in this area should be a priority but requested clarity around the outcomes that Consumer Scotland will seek to deliver in this area and recommended partnership work to widen consumer and community engagement.
- 7.4 Support was communicated for the proposed activities on the **affordability of water and sewerage charges** in that they focus on the rising impact of water charges on household budgets. One respondent encouraged research to inform the development of a more fair and sustainable system that ensures charges are appropriate for low income and vulnerable consumers in particular. One respondent suggested that this could be an area for partnership working and that it fits with the cross-cutting themes of climate change mitigation and adaptation, consumers in vulnerable circumstances and tackling the cost of living. One respondent cited affordability of water and sewerage as a priority in the work programme and suggested that it could be assessed as part of the overall priority of affordable essential goods and services so that water is considered within the wider context of rising costs for other essential services.

- 7.5 In terms of the proposed work in relation to the **non-domestic water market**, one respondent praised Consumer Scotland’s chairing of the Senior Stakeholder Group and its role in a bringing a customer-focused perspective to strategic market issues and in encouraging the market’s adoption of ethical business practice. The respondent believed that it would be beneficial for Consumer Scotland to continue to treat engagement in the market as a priority in 2023-2024.
- 7.6 There was interest in the proposed work in relation to **equitable and intergenerational investment in water** with one respondent keen to share insights in this area. One respondent suggested that Consumer Scotland could give more consideration to what equitable and intergenerational investment means beyond involvement in “SR27” and consider questions such as how would Consumer Scotland help balance equitable and intergenerational investment with current affordability and cost of living challenges?
- 7.7 One respondent suggested that research into several aspects of the water industry could be planned as a co-ordinated water industry research programme. This could avoid duplication and facilitate the sharing of insights into several work areas such as research on consumer attitudes and behaviours towards water use, climate change, pollution, wastewater management and adaptation, and on improvements to the non-household water market.
- 7.8 One respondent offered to share evaluation data in relation to the perception of water efficiency amongst households and the impact of interventions on behaviour and attitudes. All respondents indicated a willingness to collaborate and share data in relation to the proposed work programme activities.

8. Consumer markets

- 8.1 This section of the report was well received by respondents who commented favourably on many of the proposed work activities.
- 8.2 One respondent agreed with Consumer Scotland that the remit for consumer markets is very broad and that prioritisation and adding value will be important considerations for work in this area. This respondent agreed that Scotland’s rural consumers may face “exclusion” challenges for digital, transport, communications and other services. This respondent also pointed to the dramatically changed context within which consumer markets operate in Scotland and the challenges faced in adapting to post-Brexit market regulations, the acceleration towards digital commerce and the increasing focus on sustainable consumption.
- 8.3 Another respondent drew attention to the fact that contractual disputes are often the result of a criminal offence or trading malpractice and that it is essential to capture data on where and when consumer disputes are occurring. This respondent suggested that the current threat to the long term sustainability of local trading standards services would require Consumer Scotland to play a key role in developing

evidence on consumer harm across Scotland through the collection and synergising of data. This respondent emphasised that trading standards services will be able to share relevant data with Consumer Scotland.

- 8.4 In relation to **safeguarding consumer data**, one respondent opined that this is an increasingly important issue given technological advances such as artificial intelligence and quantum computing and that Consumer Scotland is right to make this an area of focus. This view was echoed by another respondent who suggested that the lack of consumer understanding of how artificial intelligence and algorithms interact with consumer data has the potential to cause harm, especially for those in vulnerable circumstances.
- 8.5 The emphasis on the **future of voice calls** - in relation to the move from the existing PSTN (Public Switched Telephone Network) telephone landlines to VoIP (Voice over Internet Protocol) – was welcomed by several respondents. Respondents noted that this was : an area of low consumer awareness that could cause detriment, particularly for those who rely on their existing landlines to access particular services during power-outages, and particularly in rural areas.
- 8.6 In response to the proposals around **barriers to resolving consumer disputes**, one respondent suggested that efforts could be applied to improving the Alternative Dispute Resolution ('ADR') mechanism which the respondent perceived as being ineffective in providing fair outcomes for consumers and only working well in a minority of market areas where it is compulsory, such as financial services. This concern was echoed by another respondent who raised concerns around obtaining data in relation to the effectiveness of ADR and suggested that this is an issue that Consumer Scotland may seek to target. One respondent that is involved in the resolution of consumer disputes using methods such as mediation and investigation offered to share their experiences with Consumer Scotland.
- 8.6 Another respondent emphasised the importance of focusing on developing an understanding of the detriment caused by poor quality goods and services and the sharing of insights amongst stakeholders.
- 8.7 Several respondents commented favourably on the proposed work in relation to **legal regulation** and more than one respondent emphasised the importance of consumers having a strong voice in relation to forthcoming legislation on legal services regulations. One respondent cited the forthcoming legislation as providing a significant time-limited opportunity in the coming year to influence the regulatory system for legal services which is a key consumer market in Scotland and has issues in relation to real and perceived affordability. One respondent suggest that the Scottish Government's consultation analysis will require careful consideration in the context of any future Scottish legislation to implement changes to legal services in Scotland.
- 8.8 Several respondents indicated that the proposed work in relation to **regulatory and legislative frameworks** should be prioritised. One respondent asked if Consumer

Scotland would be interested in supporting work around court decrees, judgments and settlements with a view to facilitating the rehabilitation of individual credit ratings. One respondent cited the importance of the planned Digital Markets, Competition and Consumer Bill and the need for Consumer Scotland to work collaboratively with organisations that are engaged in this area. This respondent also emphasised the importance of work in relation to the EU Law (Retention and Revocation) Bill and the Scottish Government's proposals for a Bill on the circular economy.

- 8.9 One respondent noted that new public funding interventions to improve affordability could reduce an organisation's ability to comply with statutory duties under the New Roads and Street Works Act 1991 (as a result of resource reallocation), and that any proposed consumer frameworks should consider this risk.
- 8.10 More generally, one respondent emphasised the importance of having discussions with stakeholders in relation to a variety of different consumer markets such as communications and ethical online business practices. Another respondent opined that the consumer market section seemed very concise and that it could perhaps be further developed in future work programmes. This respondent also suggested that Consumer Scotland may wish to consider building a focus on consumer education across different markets into the work programme.

9. Consumer duty, investigations and consumer access to information

- 9.1 Feedback in relation to this section of the programme was generally positive with several respondents indicating that Consumer Scotland has a valuable role to play, particularly in terms of the **Consumer Duty** and facilitating access to information.
- 9.2 In the context of providing information and advice to consumers, more than one respondent envisioned a role for Consumer Scotland as a source of independent and reputable advice or **signposting** for consumers requiring support in relation to issues such as fuel poverty, decarbonisation or improving energy efficiency. It was also suggested that Consumer Scotland could work in partnership with other advice agencies to help consumers who are impacted by the introduction of new energy technologies that fall into a regulatory gap and suffer detriment from energy suppliers and technology installers.
- 9.3 In relation to Consumer Scotland's **investigations** function, one respondent emphasised the need for collaboration with relevant bodies/regulators so that powers can be used in a complementary way and information can be shared in ways that might benefit consumers.
- 9.4 Proposals around **market checkers** or comparison tools were generally welcomed but one respondent pointed to the inherent difficulties with providing valuable comparison tools due to significant regional variations in prices. The risk of

duplication was also raised, with one respondent suggesting that other organisations may already collect data in relation to Consumer Scotland's levy funded work areas. Another respondent suggested that if new tools are developed, then the data should be shared amongst relevant bodies in the consumer protection landscape and that Consumer Scotland should seek to collaborate with stakeholders in the development of any tools.

- 9.5 It should also be noted that some comments (in relation to energy in particular) suggested that Consumer Scotland may seek to give direct advice to Consumers. Consumer Scotland's role in facilitating, coordinating and signposting to existing advice services could perhaps be clarified in the work programme.

10. General comments and recommendations

- 10.1 In the context of a rapidly transitioning energy system, one respondent emphasised the need for longer planning horizons and suggested that Consumer Scotland may wish to consider drafting five-year plans in addition to a one-year work programme. To provide clarification, the work programme could reference the Consumer Scotland Strategic Plan 2023-2027 and Consumer Scotland's commitment to longer term planning.
- 10.2 One respondent suggested that the work programme should place a greater emphasis on enforcement as a means of providing positive outcomes for consumers. It was suggested that other "pillars" of consumer affairs such as advocacy and resolution are well considered in the work programme and although enforcement is not a direct activity of Consumer Scotland, more emphasis could be placed on the need for effective and well-funded enforcement functions.
- 10.3 It was suggested by one respondent that the work programme should contain some specific plans in relation to online sales, particularly in relation to the increasing role of new sales channels that are not designed as e-commerce platforms (e.g. social media). The respondent recognised that other organisations are engaged with this emerging area but opined that the absence of this topic from the work programme seemed like an omission.
- 10.4 Attention was drawn by one respondent to the Consumer Scotland Act 's definition of 'consumers' in that it includes small businesses as well as individual members of the public. The respondent suggested there was a lack of specific provisions in the work programme in relation to the protection of small businesses and thought that this was an omission which should be considered.
- 10.5 It was suggested by one respondent that Consumer Scotland should make it clear that it will seek to respond to sudden changes in consumer markets, such as those that emerged during the COVID pandemic, and operate in a flexible and agile way. The respondent encouraged Consumer Scotland to flexibly work in partnership with

other organisations should issues of consumer detriment arise that go beyond the core work programme.

- 10.6 Although reference is made to this throughout this summary paper, it is worth reiterating one particular theme that emerged from the consultation. Nearly all respondents repeatedly emphasised the need for Consumer Scotland to collaborate with other organisations in areas of mutual interest with a view to generating more valuable outcomes for consumers and avoiding unnecessary duplication.

11. Appendix A: List of formal respondents

1. Advice Direct Scotland
2. Changeworks Resources for Life Ltd
3. Citizens Advice
4. Citizens Advice Scotland
5. CMA (Competition & Markets Authority)
6. Communications Consumer Panel
7. Consumer Council (Northern Ireland)
8. Department for Energy Security & Net Zero
9. DWQR (Drinking Water Quality Regulator for Scotland)
10. Energy Saving Trust
11. Norman Kerr OBE (retired as CEO of Energy Action Scotland)
12. Office of the Scottish Road Works Commissioner
13. Ombudsman Services
14. Registry Trust
15. Royal Mail
16. Scotland Trusted Trader
17. Scottish Legal Complaints Commission
18. Scottish Power
19. Scottish Water
20. SCOTTS (Society of Chief Officers of Trading Standards in Scotland)
21. SGN
22. SSEN (Scottish & Southern Electricity Networks): SSEN Transmission & SSEN Distribution

23. Trading Standards Scotland

24. UKIFDA (UK and Ireland Fuel Distributors Association)