

Consumer advocacy and advice at Citizens Advice

Annual report 2022/23



**citizens
advice**

Foreword

The last year has seen unprecedented demand for Citizens Advice services. Despite some signs that price rises are now easing, the first months of 2023 still set new records for the numbers of people coming to us for help. As they do so, we're finding people's incomes are now all too often insufficient to cover essential services, meaning a cost-of-living crisis threatens to turn into a debt timebomb for many households. Consumers are faced with ever tougher choices.

This means that the need for our advice and advocacy on consumer protection is more pronounced than ever. At a time when millions of people are living on empty, any money wasted through mis-selling, poor quality, or overcharging is unacceptable. Making consumer markets work - particularly for people from marginalised groups - is a key part of how we can address the cost-of-living crisis.



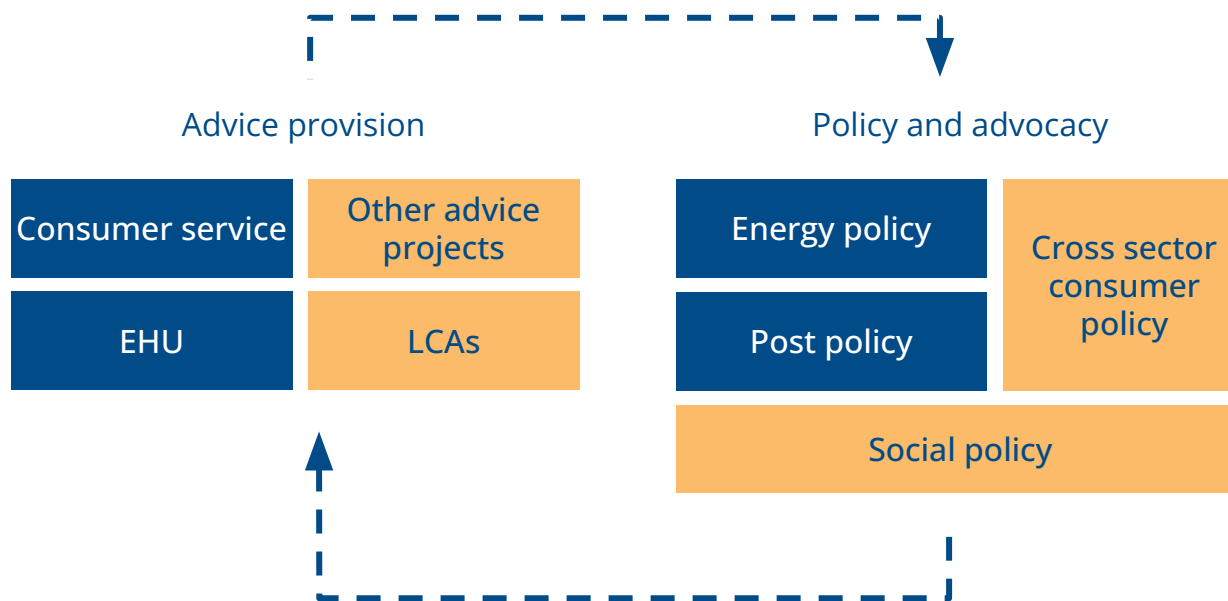
At Citizens Advice, our consumer service has been supporting people to understand their rights and resolve problems for more than a decade. The data and insights we collect from the service helps drive consumer protection activity through work with national and local partners. And our advocacy looks to address the underlying problems driving consumer harm.

Despite a challenging backdrop, this report highlights how we're continually anticipating and meeting client need and expanding to meet rising demand, mostly driven by high energy prices. We've had significant impact for consumers over the last year, whether that be in tackling firms' overcharging of loyal customers to highlighting the forced installation of prepayment meters. This is testament to all the staff involved in consumer advice and advocacy at Citizens Advice.

Dame Clare Moriarty, CEO Citizens Advice

How Citizens Advice's advice and advocacy roles support each other

- Statutory role
- Non-statutory role



Our **local Citizens Advice offices (LCAs)** provide face-to-face advice on a range of issues in approximately 2,300 locations across England and Wales.

Our **consumer service** gives advice on all consumer issues, with specialist advice on energy and post issues.

The **Extra Help Unit (EHU)** is a specialist support service investigating complaints for domestic and micro business energy consumers, and postal service users, who are in vulnerable circumstances across Great Britain. The service is managed by Citizens Advice Scotland.

Our **advice provision** gives us unique insights into the problems people face, with real-time data.

We use this to advocate for evidence-based policy changes that deliver the biggest improvements in outcomes for consumers.


Our **policy and advocacy work** gives us insight into the organisations and systems consumers deal with and into the emerging risks for consumers.


This helps us provide advice and support that is up-to-date and effective.


An introduction to the consumer service


The Citizens Advice consumer service provides information on consumer issues and advice to help solve problems related to general **consumer, energy or postal services**. The consumer service is a free service, provided via a dedicated phone line, e-mail and web chat. In 2022/23, we answered **1,000,203 contacts** from consumers across all of our channels.

We help people with consumer related problems - for example, people who aren't sure about their rights in negotiations with traders, have been mis-sold faulty goods or services, are struggling with energy bills or have been subject to scams.

 **We empower people to resolve problems themselves**, helping to reduce the likelihood of similar issues arising in the future.

 **We make high quality referrals** meaning that partners can focus their efforts on cases that need additional support. Access to intelligence through a centralised database means that activity is informed and targeted.

 **We provide an essential source of intelligence for the wider consumer landscape** through the information we collect from clients. Trading Standards and other partners - including Competition and Markets Authority (CMA) and Financial Conduct Authority (FCA) - securely access data either through referrals or a dedicated portal.

 **We regularly provide information to the energy regulator Ofgem, Department for Energy Security and Net Zero and Department for Business and Trade** through regular reporting, meetings, and ad-hoc sharing, via our policy team. These organisations use our data to track the impact of key events such as the pandemic, supplier failures and the cost of living crisis. This is critical for helping them understand and address issues across the sector, including affordability concerns and customer service failures.

The Citizens Advice public website consumer pages provide general advice on consumer problems.

In 2022/23:

- **14.2 million individual users visited our consumer advice pages**, which provide information on consumer rights and how to resolve issues
- **Over 480,000 users visited the 'report to trading standards' page**, which links to our contact channels to ensure people can get help or report issues through to our partners

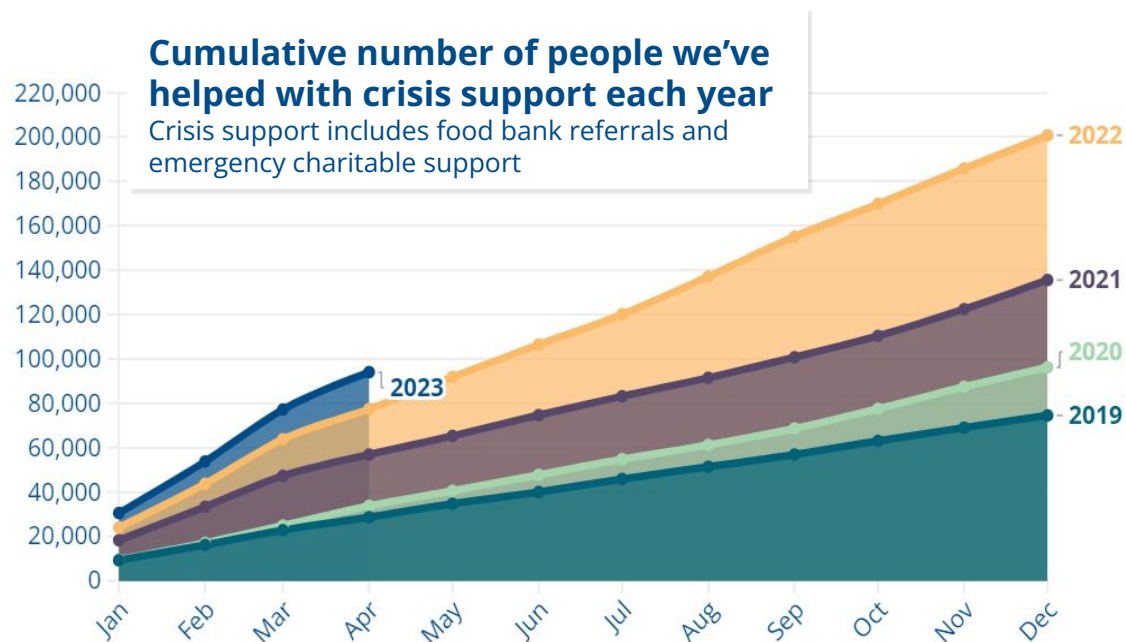
We pass information and referrals on to partners including:

- local Trading Standards (TS) offices
- major energy and postal partners
- Extra Help Unit
- Energy Ombudsman
- local Citizens Advice offices
- Information Commissioner's Office

We are helping record numbers of clients with the cost of living

The cost of living crisis continues to hit households across the country. The annual rate of inflation reached 11.1% last October - the highest in over 40 years - and has dropped little since. As people struggle to keep up with rising bills, they are turning to our advice and consumer services in record numbers for help.

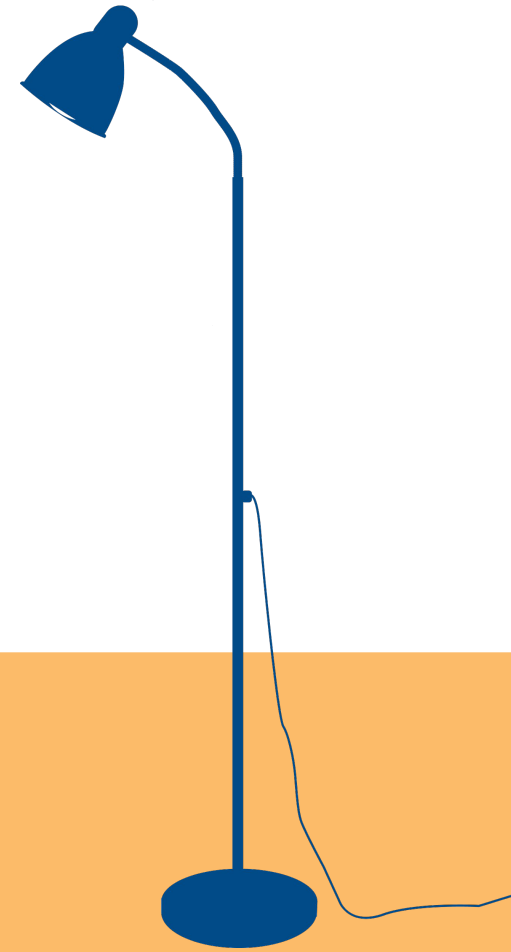
Citizens Advice is uniquely placed to capture the scale of this crisis. In 2022 we helped more people access crisis support (emergency help to cover costs of food and other essentials) than any previous year. And 2023 is so far looking even worse. Compared to this point last year, we are seeing 21% more people looking for crisis support.



- ! Between January and April 2023, we broke records for 70 different advice issues. These included homelessness, energy debts, prepayment meters, and help on affording food and other essentials.
- ! We helped more than 3 times as many people who are in work access crisis support as in 2020
- ! In January to March this year more than half of the people we're helping with debt advice did not have enough monthly income to cover their essentials - a new record.

Although these records are unwelcome, we have been able to consistently use our data and insight to illustrate the scale of the crisis for government and the general public. Our regular cost of living data briefings are now attended by civil servants, MPs, third sector organisations and industry experts. The insights provided by our consumer service and wider research has helped make the case for further intervention to help people through this difficult period.

Energy



Delivering specialist energy assistance and support

During an incredibly challenging year for energy consumers, Citizens Advice was there to provide people with support and advice. Thanks to funding from BEIS (now DBT), we were able to help more people than ever before.



40.5 million views

of our **social media and digital advice content** via our targeted ads across digital channels including Meta, TikTok, Spotify and others

190,326 energy contacts

answered by consumer service advisers via telephone, webform, email and web chat, up 50% compared to last year



Almost 30,000 people

received **advice from a Big Energy Saving Network (BESN) community champion**, resulting in an estimated £3.7m in savings, which is...

£1m more saved than last year

Almost 7,000 frontline advisers

who work with consumers in vulnerable situations **received training from a BESN regional lead**

5.66 million unique page views

of our **energy web pages** (excludes adviser visits)



42,594 fuel vouchers

offered to clients struggling to top up their **prepayment meter** via our partnership with the Fuel Bank Foundation

10,466 people

received **in depth support via the Energy Advice Programme**. Over 97% of these clients were in or at risk of fuel poverty and our advisers reported **income gains of over £7.4m**

756% increase in traffic

to our **advice for microbusinesses** about their **consumer rights** in relation to energy contracts



Through our **annual Energy Saving campaign**, we worked with a range of partners including Post Office and PayPoint to provide people with advice, including information about low or no cost energy efficiency measures

Providing specialist support

The consumer service are able to refer qualifying people to escalated complaints teams at energy suppliers. This can help resolve problems quicker. Clients in vulnerable circumstances will be referred to the **Extra Help Unit (EHU)** for additional support. It is a referral only service, with 79% of its referrals coming from the consumer service. Where people have tried and failed to settle a complaint with their energy company, we can also refer people to the Energy Ombudsman. The Ombudsman will carry out an impartial review of the complaint and issue a resolution.

The EHU is a specialist team of caseworkers investigating energy and post complaints on behalf of consumers in vulnerable situations. The service is telephone based and covers the whole of Great Britain, helping domestic and microbusiness consumers. This year:

125%
increase in
new cases

The EHU dealt with 38,247 Complaints, Priority Complaints and Enquiries in 2022/23, equal to a 125% annual increase in new cases. Priority Complaints where a consumer is off supply, or is at imminent risk of being off supply, accounted for 73% of all cases logged due to the increased volume of self-disconnection cases being referred to the EHU.

**Specialist
support
contacted
1624 times**

Advice agencies contacted their specialist support service - Ask the Adviser - 1,624 times for advice.

£2,864,483
redress

They obtained £2,864,483 in redress for clients. This included 2,125 of Fuel Vouchers supporting 5,525 people within these households.

How our advice helped

Gemma* and her husband had health conditions exacerbated by the cold, affecting circulation and joint mobility. The household was on a low income of pension and benefits including Personal Independence Payment.

A balance had accrued following previous billing issues and she was unable to agree an affordable payment plan with the supplier. The supplier pushed them onto a prepayment meter and they struggled to manage this, rationing their usage and switching off the central heating on a certain date each month until their next income arrived. She asked repeatedly to be moved back to a credit meter without success.

After being referred to the EHU, the supplier provided a fuel voucher for £49 as an interim measure. They agreed to change the meters back to credit mode and accept Fuel Direct to repay the debt and ongoing usage. The supplier's trust fund was explored as a way to help repay the balance longer term.

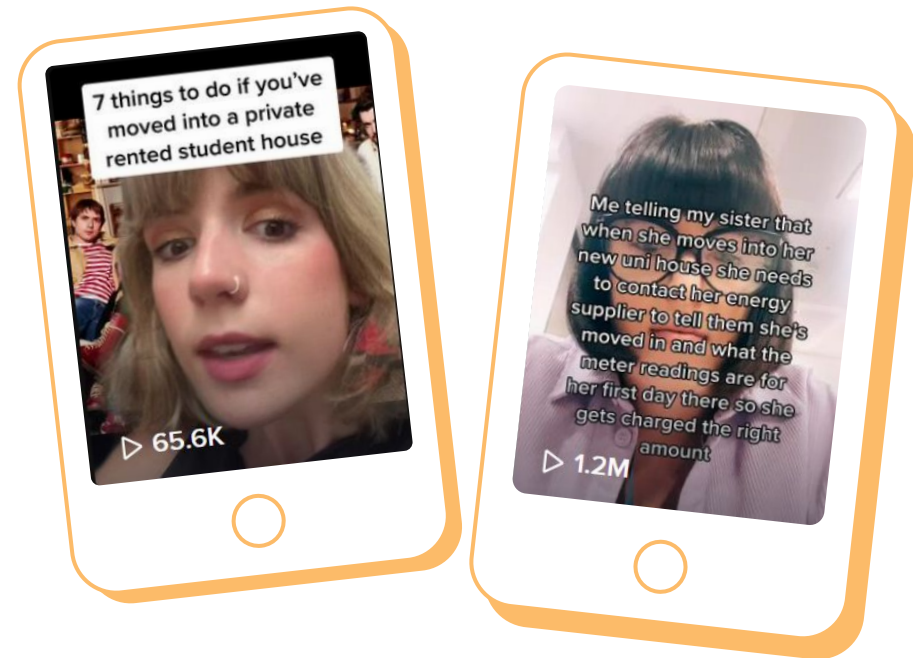
Gemma told us, "I went from feeling alone and depressed as I couldn't do anything about my situation to happy that someone was fighting my corner."

*This is not the client's real name

Making an impact through our energy campaigns

We saw huge success through our digital and offline channels, meaning we were able to share a wide range of advice, at scale, during a turbulent year. This supported understanding of government schemes including:

- The introduction of the £150 council tax support
- The Energy Bills Support Scheme, with a particular focus on prepayment meters
- The introduction of the Energy Price Guarantee



We also targeted messages such as:

- Grants and benefits available to help people pay for their energy bills
- How to save money on energy bills with small and simple changes
- Specific advice for students and young people moving into rented accommodation for the first time

Across the year, **our social media content was seen over 40.5 million times** and we used many different channels to ensure we were reaching different audiences.

Our advice was seen millions of times on TikTok and we used beer mat, bus and radio advertising to reach offline consumers too.

Making an impact through our campaigns

We've also used events to reach different communities with the advice they might need on energy. This included freshers events and Post Office events.



PayPoint included our messaging on prepayment meter receipts, with an estimated circulation of 8 million receipts.

We took some really valuable learnings from this year's campaign work, identifying that **Spotify advertising was an effective channel for timely energy messaging** after seeing results far above Spotify's benchmarks for campaign success.

We also tried influencer marketing for the first time, and found that **when you use more authentic creators, you have a higher level of engagement** so we can take this forward for future campaigns.

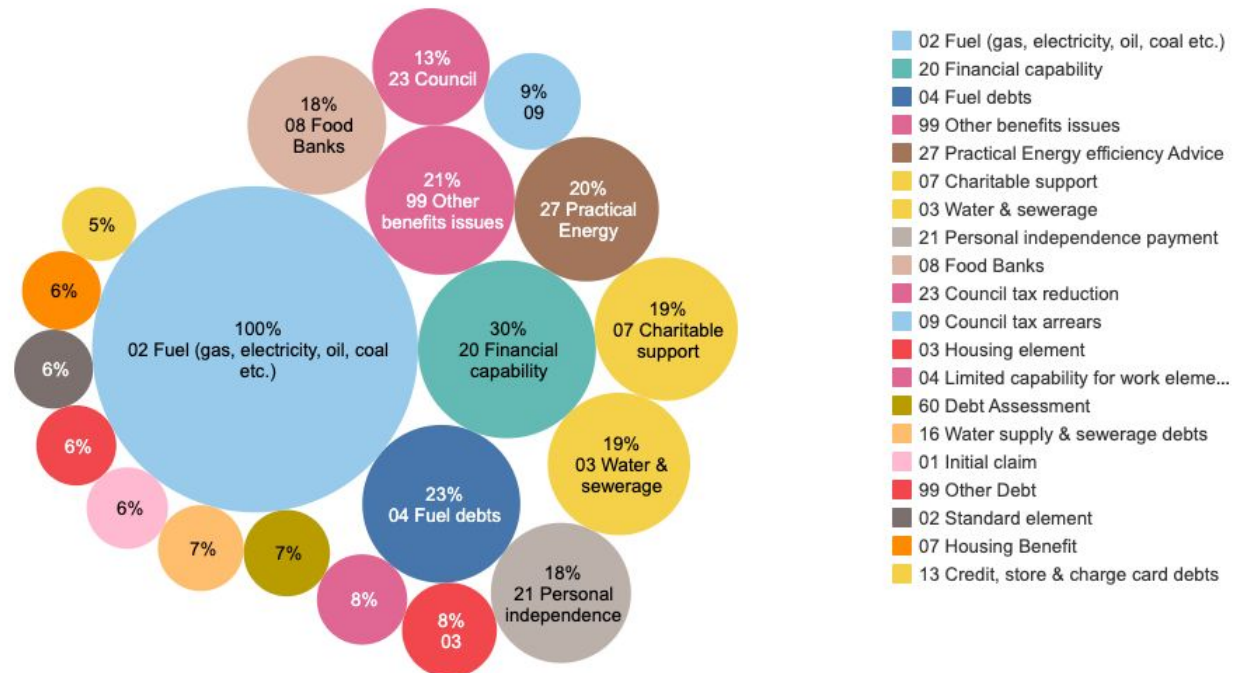
Making an impact through our digital energy content

Our website has continued to provide a valuable source of support and information, reaching a wide audience with the general public. We had **5.66 million unique page views on our energy webpages** this year.

As the government reacted to the energy crisis, we maintained the latest advice on our energy pages, adding new financial support available through the Energy Bill Support Scheme, Energy Price Guarantee and council tax rebates. This included related information for alternative payments and fuels. In response to a rising risk of energy scams, we ensured new advice about this was high profile on our pages.

At the start of the cost of living crisis, we knew that clients coming to us for energy advice would often have a number of connected issues and problems, and it was likely this was the same for web users. Citizens Advice has a unique position to give joined up advice and address people's difficulties in a holistic way.

We used our data to map **the most common issues our clients face when they come to us for energy advice**, and use this to inform the creation of new user journeys between advice areas.



In total, we generated 12,000 user journeys between the advice areas in the time we tracked, 20% above our target. This proved there was significant value from these connections for our web users.

Fixing the current and future energy retail market

Prepayment meters made headlines this year, with harrowing scenes of forced installations in vulnerable households. At Citizens Advice, we saw record breaking numbers of people who couldn't afford to top up their prepayment meter.

Throughout the year we sounded the alarm, and successfully campaigned for a moratorium on forced prepayment meter installations, highlighting people's experiences of mounting debt, disconnection and forced installations in reports **Out of the cold?** and **Kept in the dark.**

We worked with Ofgem and industry on the new voluntary code of practice, which will be put into the licence this year.



Prepayment meters: the story so far

- September 2022** ○ Our **Out of the Cold? report** issues a warning about the winter ahead
- January 2023** ○ Our **Kept in the dark report** reveals the scale of the prepayment meter crisis, with 2 million people disconnecting from their energy supply at least once per month - we work with MPs across the political spectrum to raise the issue in parliament
- January 2023** ○ We see more people who can't top up their prepayment meter than the previous 10 years combined
- February 2023** ○ Ofgem announces a temporary ban on the forced installation of prepayment meters, and a market compliance review of energy suppliers
- April 2023** ○ Ofgem launches a new voluntary Code of Practice giving consumers in vulnerable circumstances additional protections before, during and after having a prepayment meter installed

Fixing the current and future retail market

We continued to monitor supplier performance, sharing our insights with the government and Ofgem. Our good practice guides for the domestic (**Supporting energy customers as bills rise**) and non-domestic markets (**Supporting microbusiness customers with debt**) laid out recommendations for how suppliers could support their customers through an unprecedentedly difficult winter. We built on last year's **Market Meltdown** report, which highlighted retail market malpractice such as aggressive debt collection, outstanding credit refunds and inaccurate billing, with the National Audit Office (NAO) and various Select Committees echoing our recommendations for fixing the market. In **Back from the Brink?**, we tracked the progress made since our initial findings.



We continued to focus on meeting our equality, diversity and inclusion objectives by raising awareness of and advocating for those most at risk of poor outcomes in the energy retail market. This included private tenants in **Room for Reform**, and the digitally excluded in **Access Denied**.

We also looked to the future. Our paper **Tackling energy debt** explored options for how the government and suppliers can solve the mounting debt crisis predicted by our data. We also hosted a roundtable on **Retail energy market renewal** and in **Raising the bar** we outlined how a new Consumer Duty could deliver higher standards and protections for future energy consumers.

In 2024 the energy price guarantee will come to an end, increasing the challenge of ensuring energy bills are affordable, especially those on the lowest incomes. We worked on a nine-month project, with our partners Social Market Foundation and Public First, to see how the government could implement sustainable and popular policies, publishing our findings in **Fairer, Warmer, Cheaper**. The report details insights from stakeholder roundtables and consumer polling, and sets out coherent, costed proposals for the delivery of targeted price support for energy consumers.

Delivering value for money energy infrastructure

Without effective network regulation, consumers could pay billions more than necessary to meet Net Zero. Our advocacy work is focused on making sure that our energy system can be upgraded and decarbonised efficiently, without giving excess profits to gas and electricity networks.

This year the RIIO-ED2 price control (the process that sets what electricity distribution networks must deliver and how much they can earn from 2023 to 2028) wrapped up. We inputted at every stage of the process, including in open hearings and CMA appeals. We summarised **our views on Ofgem's Final Determinations** and illustrated changes we want to see for the next price control.

Our **Future Network Regulation** report considered the future of the price control framework and made recommendations for a more flexible, adaptive and efficient regulatory system that more fully incorporates consumers' views.

We worked with Ofgem on its Access and Forward-Looking Charges Significant Code review, to reform how different parties access and pay charges for the electricity network. Our insight helped to protect consumers from excessively high reinforcement costs for demand connections.

The Review of Electricity Market Arrangements (REMA) began this year - the first major set of changes to the wholesale electricity market in a decade. We published our ideas on how it can deliver for consumers, including developing consumer engagements and protections, and proposed the creation of an end user forum.

We have since provided the co-secretariat for the forum, shaping the agenda and structure of the sessions, facilitating the group and helping to draft input papers.

We will continue to work closely on REMA as it develops, evaluating proposals on how well they work for current and future consumers.

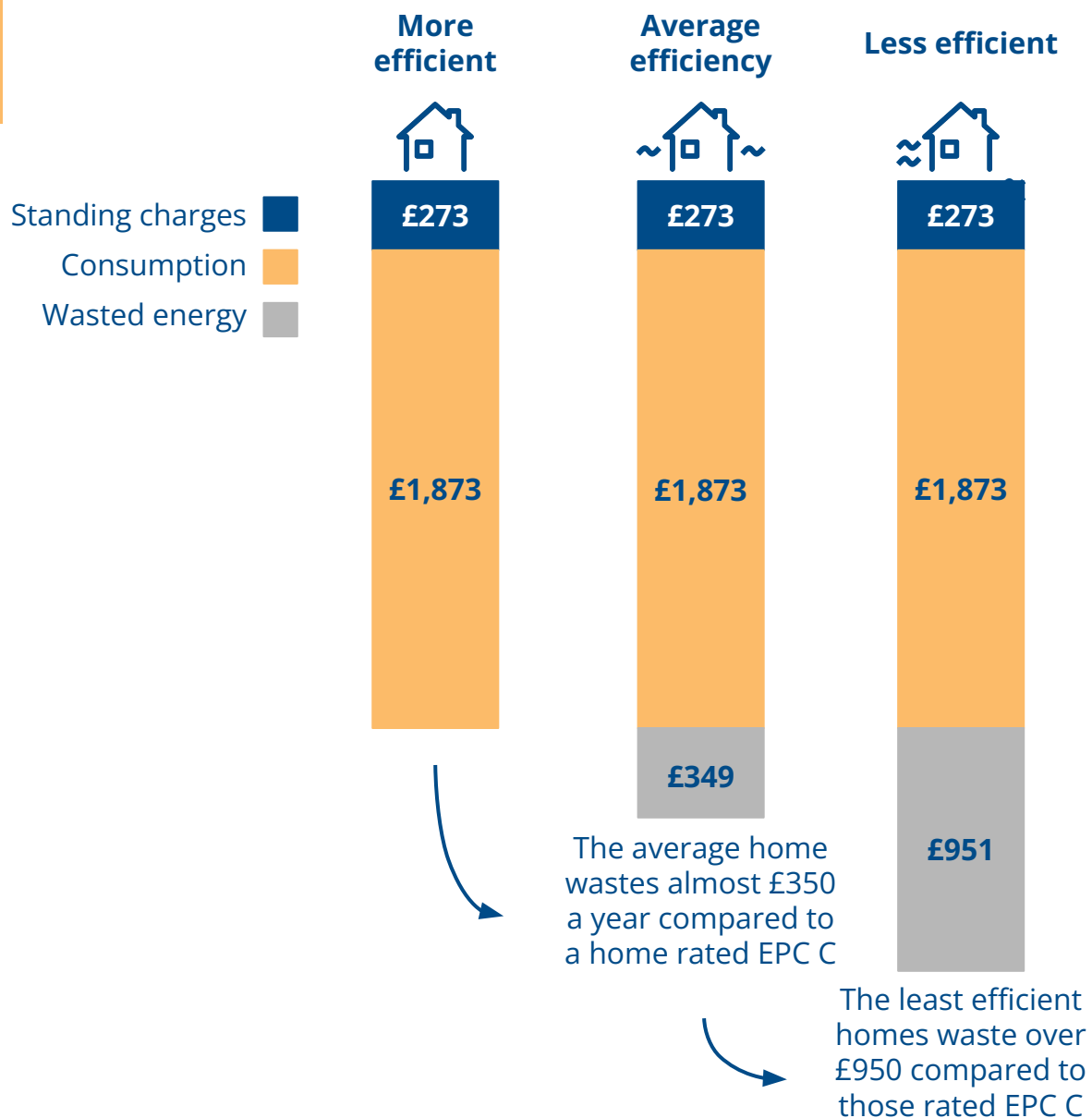


Putting people at the heart of the Net Zero transition

Meeting Net Zero by 2050 will mean that nearly every household in the country will need to make changes to their homes. As the consumer advocate we work to make sure that people are supported through these changes, with access to advice, financial support and consumer protections to help the transition work for everyone, especially those in vulnerable circumstances.

Energy efficiency has always been a priority for decarbonising our homes, but this year brought it sharply into focus as a response to the cost of living crisis and mounting energy bills. We published **Insulation Nation** that revealed the inefficiency premium that people in the leakiest homes pay just to stay warm, and **Grinding to a halt?** focused on how ramping up insulation schemes can help to alleviate fuel poverty in Wales.

Those in the private rented sector face greater barriers with a lack of control over their home's efficiency, so our **Damp, cold and full of mould** report called for stronger Minimum Energy Efficiency Standards to insulate renters from rocketing bills.



Putting people at the heart of the Net Zero transition

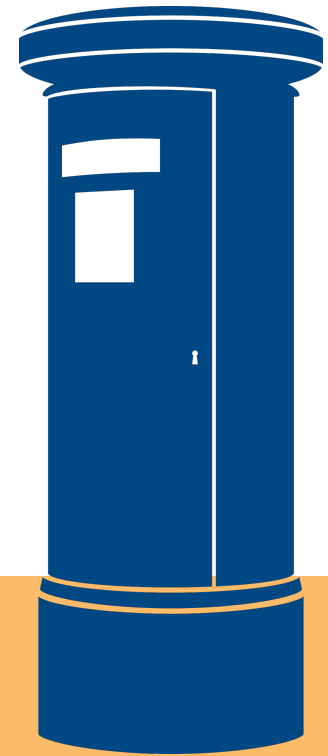
A lack of knowledge on how to decarbonise their home often prevents people from investing in energy efficiency and low carbon technology. Tailored, impartial advice would go a long way to improve consumer confidence, but the funding landscape for advice can be patchy and short-sighted. We explored these issues in **Tackling gaps and overlaps**, and followed up with a roundtable discussion on the future of Net Zero advice with stakeholders from government, industry and the advice sector.

Ahead of our role as the consumer advocate for heat networks, we explored how well served heat network consumers are by their suppliers in **Getting ready for heat network regulation**. Our mystery shopping found some improvements in customer service following our previous year's research, but many consumers, particularly those in vulnerable circumstances, are struggling to access their preferred communication channels, get accurate information on pricing and are choosing from limited payment options. We are calling on heat network suppliers to improve standards ahead of regulation.

We also revealed **problems with the public charging network** to improve outcomes for drivers who rely on it. We are asking the government to improve consumer protections, close the unfair price gap between private and public charging and ensure accessible design for apps and payment processes.



Post



The view from our consumer service

Key issues

The number of issues relating to post has increased overall from the previous year.

In 2022/23 there was an increase in the top two issues and a new entry at number three:



lost mail



delayed mail



post surcharge (new entry)

Referrals

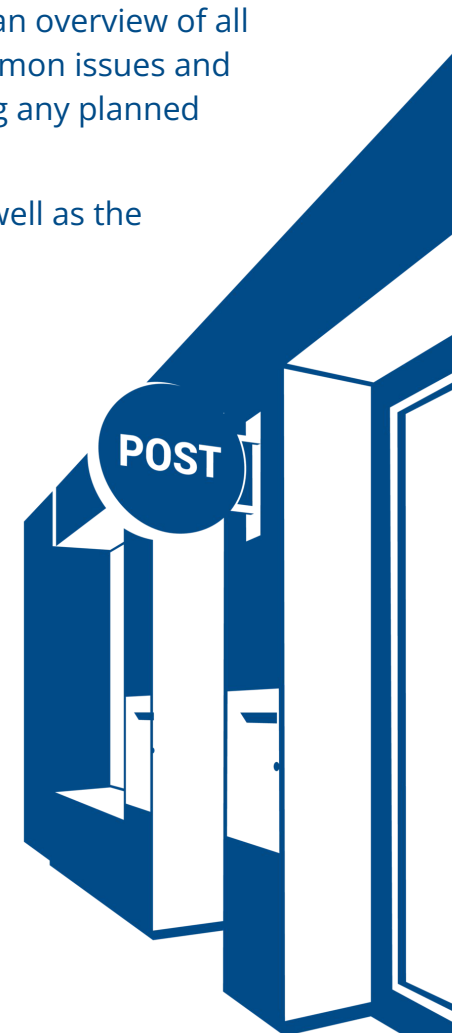
As in the energy sector, the consumer service is able to send referrals to the Extra Help Unit where additional support is needed for an issue with a regulated postal product.

The service is also able to send referrals to Royal Mail, to escalate through their complaints processes where the defined criteria are met.

Working with partners

We share data with post partners via a monthly extract of anonymised data. This extract gives an overview of all cases to help partners understand common issues and challenges. This can help with informing any planned activity or work.

The data partner for post is **Ofcom** as well as the internal departments such as policy.

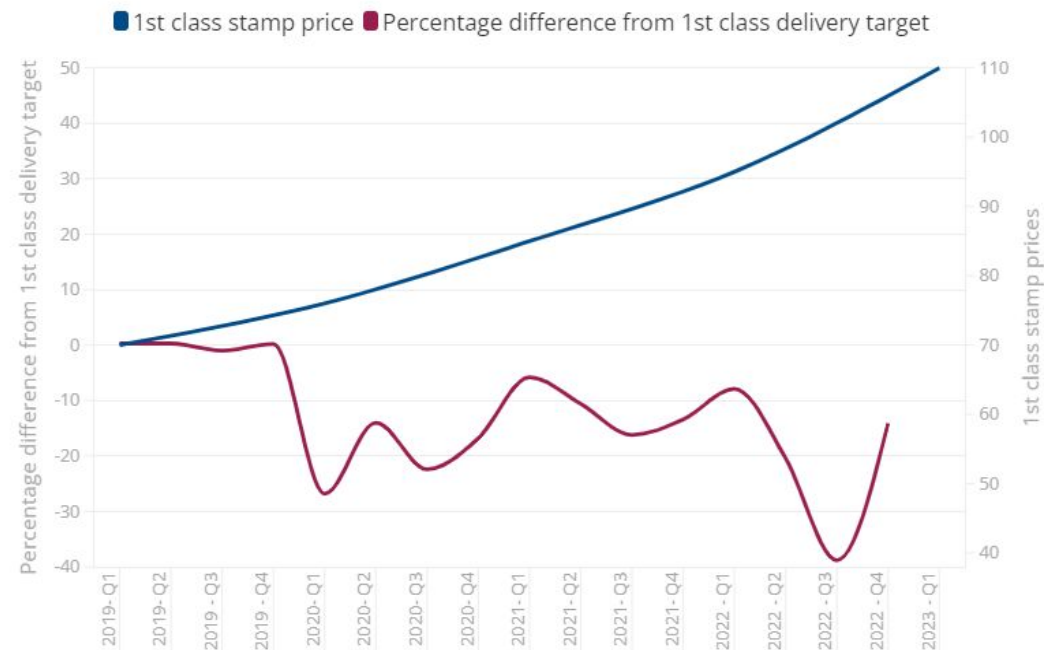


Uncovering the harm caused by Royal Mail letter delays

People rely on post to receive important messages from banks and hospitals, or to keep in touch with loved ones. It can be a lifeline for those without internet access. Our data shows that 7 in 10 people have received a letter in the last month.

But despite how critical letters are for our national communications infrastructure, consumers have been hit by letter delays yet again this year. And, at the same time, Royal Mail has chosen to increase prices. A 1st class stamp now costs 64% more than it did just 5 years ago.

Quality of service and stamp prices since 2019



We've continued to engage with Royal Mail, Ofcom, others in the postal industry, MPs, and our advisers in local offices about letter delays and the harm it causes to consumers.

We published **weekly, interactive monitoring** of the extent of letter delays in autumn and winter 2022. And we also **uncovered the extent of letter delays** in December and early January. A shocking 6 in 10 adults were hit by letter delays over the festive period.

Our parliamentary work continues and this year we submitted evidence to the Business, Energy and Industrial Strategy Select Committee. The Committee alleged that Royal Mail has systematically prioritised parcels over letters, which would be a breach of the company's public service obligation.

Amidst an ongoing cost of living crisis, the affordability of post remains a concern. We published a **report** highlighting the risk of Royal Mail's redirection services becoming unaffordable for low income families.

Our new research shows people rely on post more than they realise. Even when they don't send a lot of letters themselves, they receive utility bills, council tax letters and appointment letters from health services. Some letters are unexpected or infrequent, such as letters about a court date or fine. And missing these causes harm. We're continuing to engage with Royal Mail, Ofcom, MPs and other stakeholders to improve this situation for consumers over the coming year.

Shining the spotlight on letter delays

People rely on post to receive important messages from banks and hospitals, and to keep in touch with loved ones. For those without internet access, it can be a lifeline.

60% of adults in the United Kingdom were hit by letter delays between December 2022 and early January 2023, with an **estimated 6.2 million people** missing important documents, health appointments, or were unable to pay a fine or bills, sometimes resulting in further penalties.

One of the millions of stories behind the numbers was Alex* who came to her local Citizens Advice for help after her energy support vouchers from the Government never arrived through the post. Her supplier refused to send the vouchers via email and couldn't estimate when the posted vouchers might arrive. While Alex waited for her vouchers, she accrued more and more debt. Alex's energy supplier disconnected her and Alex's physical and mental health worsened.

Our evidence on harm caused by late letters was cited by the Business Select Committee in their **report** into Royal Mail.



Protecting consumers in the parcels market

Parcel delivery has become an essential service, but it's failing consumers. Recently, our research found that over half of people (52%) said they'd experienced a problem with an online delivery within the last 3 months.

In November 2022, we published our **second parcel company league** table that ranked the top 5 operators based on a number of criteria: consumer detriment, complaints, accessibility, and trust. Results showed that, despite some improvements, quality of service remains poor across the sector with low scores for accessibility and customer problems especially concerning.

In light of our concerns, we welcomed Ofcom's new guidance on complaints and accessibility - both of which were cited by the regulator as being based on our previous work in these areas. We're now monitoring the impact of these changes.

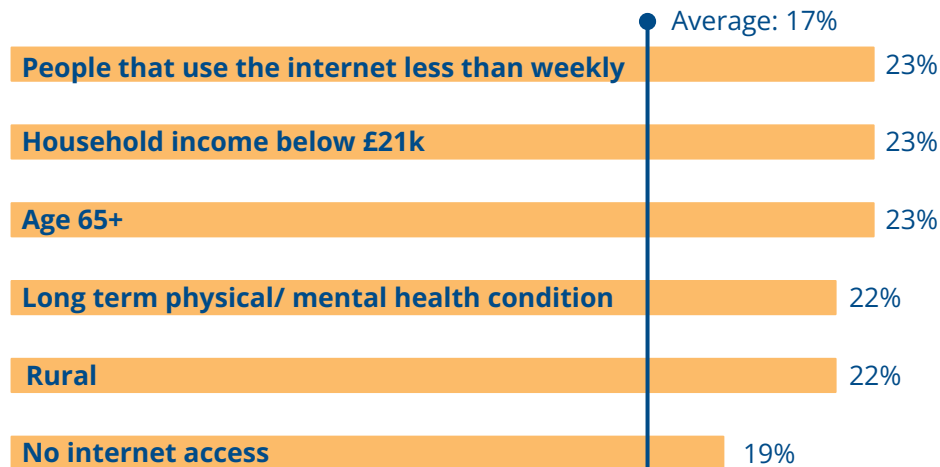
Last autumn, we conducted a review of the out of home delivery sector, in light of its rapid growth and continuing difficulties around home delivery. Following discussions with a wide range of stakeholders, we outlined the pros and cons of out of home delivery options in this **blog**.

We've continued to provide parcels advice to consumers, sharing **top tips** for sending a gift during the Christmas period and most **recently** raising awareness on the risks of returning an item paid for using Buy Now Pay Later.

Tackling the challenges facing post offices

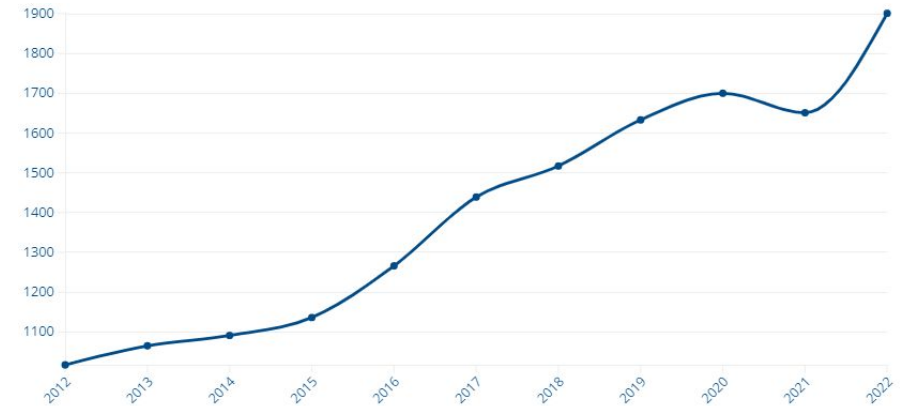
Post offices remain popular and well used. **Our latest research shows** over 4 in 5 (86%) people across Great Britain have used a post office in the last year and nearly 1 in 5 (18%) at least once a week. This rises to around 1 in 4 for people living in rural areas and those vulnerable circumstances, such as infrequent internet users, people aged over 65, or who have health conditions.

People in vulnerable circumstances rely most on post offices



But despite the continued popularity of the post office network and its overall size remaining stable, **our recent analysis shows** that between 2012 and 2022 there was an 87% increase in part-time outreach services. In the same period the number of full-time permanent branches has fallen by more than 1,000.

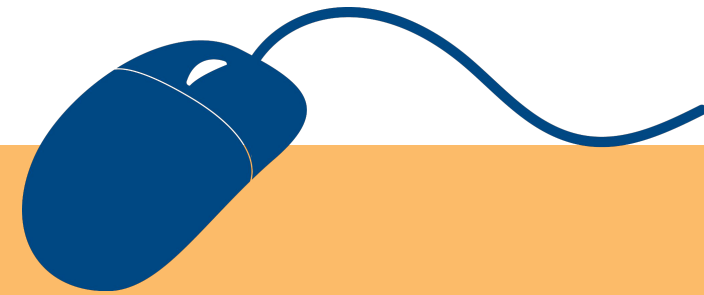
Total number of outreach post offices (March each year, UK)



In 2022/23 we carried out research with post office operators and organisations representing them to understand their main challenges and what can be done to retain more full-time post offices. Many operators that we spoke to are struggling with low income and rising costs. Better pay and providing more services were just some of the solutions they suggested to help. We held a roundtable with these stakeholders, Post Office Ltd and the former Department for Business, Energy and Industrial Strategy to put forward and discuss a range of solutions.

The post office network faces an important couple of years with current **government funding** due to end in March 2025. In 2023/24 we'll be using evidence from previous years alongside new research to develop a vision for the network to ensure consumers have access to services they need.

Cross-cutting consumer



The view from our consumer service

Key issues

The service provides advice on all stages of the life cycle of consumer issues - from pre-shopping guidance to help engaging the trader, through to alternative dispute resolution or other tribunals such as court, where appropriate.

The top three complaint types for 2022/23 for general goods and services were:



Used cars



Roofing, roof sealing and chimney repairs



MOT, services and repairs

"I would just like to take this opportunity to thank your advisors for their hard work during this difficult time and to pass on our appreciation for their diligence in recording information and providing advice to consumers."

Partner satisfaction survey

Working with partners

We have referral and data relationships with Trading Standards departments in all Local Authorities in England and Wales, while those in Scotland also have access to data that relates to traders based in their nation.

Each local Trading Standard (TS) is notified directly of all cases in their area, and cases that meet their criteria for action are sent as a referral.

In 22/23, we uploaded more than 350,000 complaint cases about a specific consumer problem, with around 60% of these being referred to Trading Standards.

Where required, further investigation and enforcement action may be necessary. Some complaints require immediate referral and partner action, such as product safety where a client has been injured, or suspected doorstep crime. It is essential that partners are provided this information urgently, to allow them to disrupt the offences while they are taking place, as well as providing support for the victims.

How our advice helped Alison*

Alison was one of a number of clients who contacted the service about a fraudulent trader.

The trader had left clients £214,000 out of pocket by not completing the work he had agreed to.

We found out the trader was already subject to a suspended sentence for a £47,000 tax "fiddle".

Alison's trader provided a false address details and even falsified references from a doctor (a previous client) which said he was reliable and hard working.

Alison's case, along with those of other affected, were referred to Trading Standards. They investigated and were able to secure a judgement against the trader which saw him imprisoned for two years and three months.

*Client's name and certain details have been omitted or changed to preserve their anonymity.

Protecting consumers from evolving online harms

Online choice architecture

From buying groceries and clothes to borrowing money or making a bet, we're all spending more time and money online. Doing things online is convenient, and online platforms are carefully designed for a smooth, easy consumer experience. But many features which benefit consumers also create new risks.

Our first **online choice architecture report** showed that the design of online shopping is crucial in how consumers make choices. We found that poor or malicious design of online customer journeys can trip consumers up:

- **27%** of consumers have regretted something they bought online
- **24%** have ended up spending more than they expected to
- **26%** of consumers felt they spent an excessive amount of time trying to find information

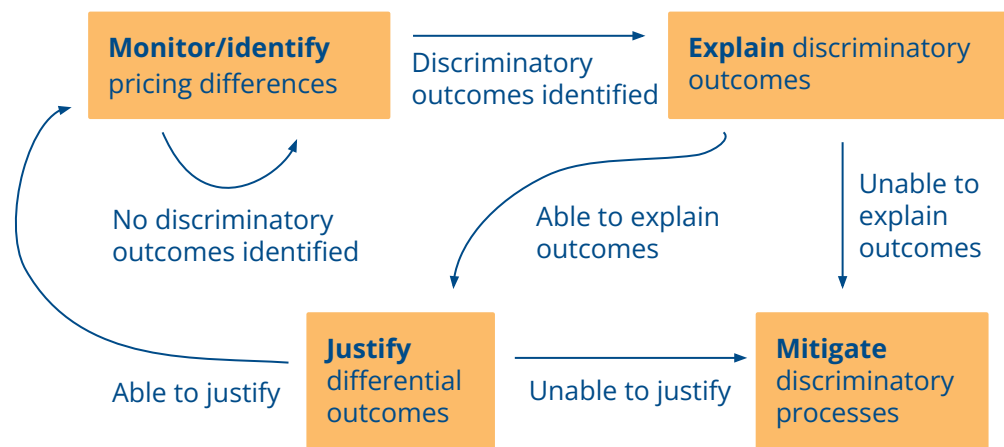
We called on regulators to prioritise this issue, with outcomes-based frameworks requiring businesses to put consumers at the heart of design.

Since publication, we've seen significant progress made on improving the regulation of digital design across the three high-risk business areas outlined in our report: online gambling, BNPL and subscriptions.

Discriminatory pricing

Our follow-up **report** on discriminatory pricing found people of colour still pay on average £250 more for car insurance than white people. With bills rising across the board, our data shows people of colour are three times more likely than white people to cancel car insurance as they can no longer afford it.

We published a **clear framework** that industry and regulators should use to address discriminatory pricing and how this approach interacts with the requirements of the FCA's new Consumer Duty.



Tackling overcharging in the cost of living crisis

Loyalty penalty

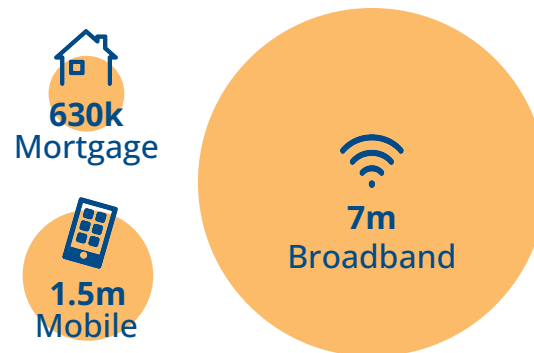
We first called out the loyalty penalty - where companies charge customers who don't switch deals regularly more than those who do - in 2018. Lots of progress has been made, but 1 in 7 people are still overpaying for their mortgage, broadband or mobile contracts.

The loyalty penalty is not new, but it's even more concerning in the context of the cost of living crisis. Overcharging across these 3 markets costs consumers £1.3 billion.

Paying the loyalty penalty in each of these markets could cost consumers up to £1,114 per year. At the time of publishing our latest research, this amount outstripped measures the government had put in place to help households manage the rising cost of living.

We called for the FCA to reassess their approach away from solutions focused on switching mortgages, towards alternative solutions and for the government and Ofcom to make sure that voluntary measures taken by mobile and broadband providers are delivered consistently, so that no-one pays a loyalty penalty.

No. of UK adults paying loyalty penalty, per market



Mid-contract price rises

Unexpected **mid-contract price rises** for mobile and broadband have been piling further pressure on people. Soaring inflation in 2022 meant many consumers were facing unprecedented rises of up to nearly 19%. More than 13 million consumers could end up paying £100 more in 2023 (an estimated £2.5bn in total) for their mobile and broadband services, despite remaining on the same contract with the same provider.

Despite these huge hikes, awareness of mid-contract price rises is low. Our research found that 1 in 4 customers didn't know their prices could go up mid-contract.

Expecting consumers to plan unpredictable and unexpected increases in mobile and broadband costs into their personal budgets. That's why we called on all mobile and broadband providers to immediately scrap mid-contract price rises. After we published our report in September, Ofcom publicly called on telecoms firms to scrap the inflation-tied formula used to calculate MCPR. And in February 2023, Ofcom announced that they will review inflation-linked telecoms price rises. We'll be keeping the pressure on Ofcom to make sure providers do the right things by consumers.

Exploring targeted support for consumers in essential markets

A broadband connection is essential to participate fully in our society, but millions of households struggle to afford this essential service. And as the cost of living crisis continues to bite, there's nothing left to cut for many low income households.

Our **discussion paper** considered how effective the introduction of broadband social tariffs has been in reducing broadband affordability issues so far, and set out a number of options which could help to improve their future efficacy. Citizens Advice also hosted a roundtable discussion attended by industry representatives, Ofcom and DCMS.

At the time of publication, Ofcom's latest data showed 97% of eligible households were missing out on the support they're entitled to.

Broadband social tariff eligibility and sign-ups

February 2022 signups

55,000

August 2022 signups

136,000

Eligible population

4,200,000

The cost-of-living crisis has shown that even in competitive markets, there isn't a safety net to ensure that people in financial difficulties or on low-incomes are able to retain access to essential services.

Our research shows that over a million people cancelled car insurance due to pressures from the cost of living. 90% of them experienced difficulties as a result such as finding it harder to find work, to travel to work or to make medical appointments. And as many as a million people stopped spending on their broadband in the last year, potentially leaving them exposed to higher mobile bills or no internet access at all.

Again and again, it's the same groups of people unable to access these essential markets. As a result, there could be significant benefit to targeted help and support for people on low-incomes or benefits, to retain access to essential markets.

This work kicked off at the end of our workplan year 2022/23 and will carry on in 2023/24.

The impact of our advocacy work

Our cost to consumers

It's essential that we provide value for money for consumers. The table below shows what our advocacy levy funding costs per household where it can be easily calculated:

	Our 2022/23 funding	Estimated annual cost per household	% of an average £2,500 energy bill of as 31 March 2023
Energy advocacy	£3.9m	7 pence*	0.00028%
Postal advocacy	£1.1m	4 pence**	N/A

* Based on the approximate contribution made by GB household energy consumers only (by volume). Non-domestic consumers also contribute towards the levy.

** Based on dividing the cost of the postal levy evenly amongst GB households. All GB households are covered by the Universal Service Obligation, and are therefore recipients of postal services in some form.

Consumer service



This year in numbers

1,000,203

contacts answered by the service across all channels (phone, email and webchat)

27,778

contacts answered via webchat

14.2 million

webpage visits to our consumer pages

45%

of clients found out about the consumer service through the website or internet search

366,123 total consumer goods and services cases added to our database and made available to our enforcement partners

60% of these referred to Trading Standards for further action

32,746

vulnerable energy clients referred to the Extra Help Unit for additional support

120,521

clients signposted to local Citizens Advice in England and Wales for wider advice needs

92%

of partners were satisfied or very satisfied with the work of the consumer service

7.8 in 10

consumers surveyed were satisfied or very satisfied with the service

We helped consumers save a total of

£143 million




through the advice provided by the consumer service

The people we helped

Throughout 2022/23, our consumer service has continued to help people facing issues with goods and services, as well as providing advice on the energy and postal sector.

In total we answered **1,000,203 contacts** across all channels (phone, webchat, webform and e-mail). This represented a **5% increase** on the previous year.

Looking across different sectors, the breakdown was:

-  86% general consumer issues
-  13% energy issues
-  1% postal issues

In 2022/23:

- More than **60%** of complaint cases about specific consumer issues were referred to our partners in Trading Standards
- Almost **121,000** clients were signposted to local Citizens Advice offices for wider advice needs
- Over **9,000** clients were connected to certified Alternative Dispute Resolution (ADR) providers, who independently assess the circumstances and either help reach consensus or make a decision on what should happen to resolve the matter

Where a criminal element is suspected, or clients have additional support needs, we refer on to an appropriate partner.

Multi-channel delivery allows flexibility for clients, and forms part of our aim to make the service as easy to access as possible:

- Over **210,000** of all contacts (**21%**) were answered via digital channels (webchat, webforms and email) in 2022/23, with significant increases in people seeking help with energy issues
- **58%** of clients get the advice they need to resolve their issue in their first contact with an adviser

The impact of our advice

We're helping those that need us

Each year we run a survey to understand how well we deliver our service and how impactful our advice is in helping drive positive outcomes.

Of consumers surveyed in 2022/23:

- **7.8/10** were **satisfied or very satisfied** with the service
- **8/10** said they would **use the service again**
- **7/10** said it was **easy or very easy to access** the service
- **Over 55%** stated that their problem was resolved between five and 25 weeks after calling the helpline
 - ➔ This remains highest for energy issues (68%). We have direct referral routes into energy companies and, as a highly regulated sector, suppliers have clear processes to follow based on Ofgem licence conditions
 - ➔ **3 in 5** clients across all sectors who managed to reach a successful outcome said it could not have been done without our help
 - ➔ The average value people placed on the amount they saved or recovered was in excess of **£1000**

We're helping people save money

The average amount estimated by consumers that reported a saving following our help in 2022/23 was:

£1,449

- ➔ £1,595 for general consumer
- ➔ £616 for energy
- ➔ £292 for post

These represent increases for our general consumer and energy figures, which in turn contributes towards an overall rise of around £147 per person on average.

We use the figures above within our established financial modelling methodology to estimate the overall savings generated for consumers as a result of the advice delivered by our helpline. And the return on investment that this represents.

In 2022/23, the consumer service helped save consumers a total of over £143 million.*

This is a conservative estimate. It does not include savings generated to consumers as a result of information accessed via the website.

*Using a methodology for calculating savings agreed with the Department for Business Energy Industry and Strategy.

The view from a delivery centre


The consumer service is delivered through centres within our local Citizens Advice network. Some of these also deliver other nationally funded Citizens Advice services, such as the Witness Service contact centre and specialist debt advice.


Each day on average in 2022/23 each centre typically received around:

- **550 to 600 calls**
- **175 webforms**
- **15 to 20 webchats**

Consumer service advisers:

 **receive dedicated training** to develop subject knowledge and understanding of legislation, regulations and the consumer landscape.

 **provide tailored advice** for specific problems based on the client's individual circumstances through as many contacts as needed.

 **refer to individual partner protocols** for decisions on whether to refer cases, with each of our 250+ partners having differing requirements.

Management teams at each of our centres have a number of responsibilities to ensure that the service is delivered in line with expectations:

- ① Delivery centres closely monitor and manage the quality **case records and referrals** to ensure the intelligence we share with partners is of greatest value.
- ① Performance data is used in real-time, and retrospectively, to **optimise the experience of those accessing our service.**
- ① Advisers are offered **regular feedback, coaching and training**, aiding their development and quality of output, along with focused **wellbeing support.**

“The increase in the energy price cap has posed a significant challenge to our consumer service, resulting in a surge of calls from concerned customers facing disconnections and mounting debt. The increase has also caused a surge in distressed clients reaching out to us urgently, as they find themselves in a helpless situation without power, often with children at home. Our advisers have displayed remarkable resilience in handling these challenging calls multiple times per day. Despite the challenging circumstances, we have delivered an invaluable service, successfully getting numerous clients back on supply. This achievement stands as a testament to the exceptional level of support we provide.”

Claire Williamson - Consumer Service Manager
Citizens Advice Cardiff and Vale

Finances

Planned	GB	Scotland	Total
Energy	£3,794,100	£139,800	£3,933,900
Post	£1,050,000	£31,000	£1,081,000
Cross Sector	£818,300	£58,300	£876,600
Directorate	£196,800	£9,300	£206,100
Total	£5,859,200	£238,400	£6,097,600

Actual	GB	Scotland	Total
Energy	£3,794,100	£139,800	£3,933,900
Post	£1,050,000	£31,000	£1,081,000
Cross Sector	£818,300	£58,300	£876,600
Directorate	£196,800	£9,300	£206,100
Total	£5,859,200	£238,400	£6,097,600

The tables shows levy funded expenditure, in £, on consumer advocacy and levy funded advice services, known as the Big Energy Saving Network, by activity for the year ended 31 March 2023. The Scottish Government's contribution to our GB work is shown in the Scotland column.

Planned	Total
Funded energy advice programmes	£2,871,430

Actual	Total
Funded energy advice programmes	£2,871,430

Citizens Advice helps people find a way forward.

We provide free, confidential and independent advice to help people overcome their problems. We're a voice for our clients and consumers on the issues that matter to them.

We value diversity, champion equality, and challenge discrimination and harassment.

We're here for everyone.

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citizensadvice.org.uk



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