



## **Consortium for the Regional Support for Women in Disadvantaged and Rural Areas**

### **Response to: Future Arrangements for Consumer Representation in Northern Ireland - Consultation**

**Issued by: Department of Enterprise, Trade and Investment**

**January 2014**



**WOMEN'STEC**

Enabling women into non-traditional employment

Foyle Women's  
Information  
Network



# **Women's Regional Consortium: Working to Support Women in Rural Communities and Disadvantaged Urban Areas**

## **1. Introduction**

**1.1** This response has been undertaken collaboratively by the members of the Consortium for the Regional Support for Women in Disadvantaged and Rural Areas, which is funded by the Department for Social Development in Northern Ireland and the Department of Agriculture and Rural Development in Northern Ireland.

**1.2** The Women's Regional Consortium consists of seven established women's sector organisations that are committed to working in partnership with each other, government, statutory organisations and women's organisations, centres and groups working in disadvantaged and rural areas, to ensure that organisations working for women are given the best possible support in the work they do in tackling disadvantage and social exclusion.<sup>1</sup> The seven groups are as follows:

- Training for Women Network (TWN) – Project Lead
- Women's Resource and Development Agency (WRDA)
- Women's Support Network (WSN)
- Northern Ireland's Rural Women's Network (NIRWN)
- Women's TEC
- Women's Centre Derry (WCD)
- Foyle Women's Information Network (FWIN)

**1.3** The Consortium will be the established link and strategic partner between government and statutory agencies and women in disadvantaged and rural areas, including all groups, centres and organisations delivering essential frontline services, advice and support. The Consortium will ensure that there is a continuous two way flow of information between government and the sector. It will ensure that organisations/centres and groups are made aware of consultations, government planning and policy implementation. In turn, the Consortium will ascertain the views, needs and aspirations of women in disadvantaged and rural areas and take these

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<sup>1</sup> Sections 1.2-1.3 represent the official description of the Consortium's work, as agreed and authored by its seven partner organisations.

views forward to influence policy development and future government planning, which will ultimately result in the empowerment of local women in disadvantaged and rurally isolated communities.

### *Methodology*

**1.4** This response is informed by women's views gathered at two engagement events: a consultation event facilitated by WRDA at its Belfast premises on 26 November, 2013; and, a focus group facilitated by the Women's Centre Derry at its offices on 28 November, 2013. Appendices 1-2 provide further detail on both events.

## **2. General comments**

**2.1** The Women's Regional Consortium appreciates the opportunity to respond to the Department of Enterprise, Trade and Investment's *Future Arrangements for Consumer Representation in Northern Ireland: Consultation*.

**2.2** The Consortium welcomes this consultation exercise as affirmation of DETI's commitment to secure 'the most appropriate arrangements for the future delivery of consumer representation in Northern Ireland'.<sup>2</sup> In a context of increasing levels of vulnerability in Northern Ireland and associated actual/projected increases in poverty,<sup>3</sup> there is a compelling case to be made for securing robust consumer representation for all consumer groups, but especially vulnerable groups such as lone parents, older people, people with disabilities and women. This is because in such a context, the consumer experience of vulnerable groups can be additionally impacted by financial exclusion and disempowerment, reinforcing their need for effective targeted consumer advice, intervention and support services.

The response focuses on a number of key concerns about the potential risk to consumer protection and representation for these vulnerable groups posed by some of the proposed options for change outlined in the consultation document. More

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<sup>2</sup> Department of Enterprise, Trade and Investment, *Future Arrangements for Consumer Representation in Northern Ireland: Consultation*, DETI: 2013, p.15.

<sup>3</sup> See, for example, G. Horgan, *Welfare reform: implications and options for Northern Ireland*, University of Ulster: Belfast, 2013, p.2. [Online]. Available at: <http://www.socsci.ulster.ac.uk/irss/documents/KESS2-2.docx>

precisely, we are concerned at the potential risk posed by options to reduce and render redundant the role of the Consumer Council for Northern Ireland (hereafter, CCNI), by transferring its resources, skills, and functions elsewhere

The consultation document makes the obvious point that the nature of future consumer representation in Northern Ireland will be fundamentally impacted by prevailing financial and budgetary constraints. Of course, the inherent danger of this association is that the efficiency and effectiveness of future delivery might be negatively impacted by consequential resourcing restrictions. The Consortium recognises that the review of current arrangements, to 'ensure value for money',<sup>4</sup> is taking place within a financial environment severely impacted by such constraints on public expenditure as extended austerity measures and reductions in the Block Grant. However, against this background, we are concerned that future delivery will not be properly resourced with sustainable funding to ensure its viability and efficacy and that, as a result, consumer rights could be potentially undermined and consumer protection could potentially be eroded.

Participants at both engagement events identified this risk and danger and articulated associated concerns, as will be shown in the remainder of the paper.

### **3. Specific Comments**

#### *Options*

**3.1** The consultation document presents three options for the future delivery of consumer representation in Northern Ireland: continuation of the current CCNI model; establishment of an independent consumer representative body outside government; and, the transfer of the consumer representation role to an existing non-government advice body.<sup>5</sup>

Concerns were raised by women at both engagement events that the last two options could considerably weaken consumer representation delivery in Northern Ireland. Participants acknowledged the 'unique', centralised, multidimensional role of

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<sup>4</sup> DETI, op. cit., p.5.

<sup>5</sup> Ibid., p.15.

CCNI in representing consumer interests in respect of energy, water, food, transport and money affairs, through service delivery that cuts across consumer education, advocacy, complaints, research and enquiries. Motivated thus, they identified the consultation exercise as an ‘attack on CCNI’ and thus a threat to consumer rights. It was suggested that ‘things could be significantly worse’ for consumers in Northern Ireland, if CCNI’s role was either diluted or made redundant, or if it became independent under option 2 and had to compete for funding in a challenging financial environment.

The third option, transferring CCNI’s role to the advice sector, was also criticised at both engagement events. It was argued that the advice sector in Northern Ireland is neither properly positioned nor equipped to undertake the multidimensional consumer representation role of CCNI. The Consortium also has serious concerns about funding of this additional burden on advice provision, especially should that burden fall disproportionately on the voluntary and community sector. We would emphasise the obvious point that any additional burden of this kind should be properly resourced with sustainable funding to ensure its viability, effectiveness and continuity.

Against this background, the general consensus at both events supported not only the first option, securing the future of CCNI, but also the strengthening of CCNI’s role as a ‘vital public service’. In this sense, participants at both events welcomed the consultation as an opportunity to better address existing gaps in, and future challenges to, consumer representation arrangements in Northern Ireland through creating the conditions to enhance and augment CCNI’s role. We return to this point later in the paper, when examining participants’ views on precisely how CCNI’s role might be strengthened to address gaps and challenges in respect of rural provision and provision for the disadvantaged.

### **Recommendation**

- The Consortium urges DETI to give due consideration to how the unique role of CCNI could potentially be enhanced under option 1, allowing it to better address existing gaps in, and future challenges to, consumer representation arrangements in Northern Ireland.

### *Vulnerable consumers and utilities*

**3.2** The Consortium is particularly concerned that options to either reduce or render redundant the role of CCNI could potentially threaten effective representation for vulnerable consumer groups across Northern Ireland, in the context of an escalating need for such representation. Current ‘unprecedented’<sup>6</sup> levels of poverty and deprivation have sharply increased the financial vulnerability of people in Northern Ireland, increasing their vulnerability as consumers and negatively affecting their purchasing behaviour.

Specific concerns on this front were raised at both engagement events in respect of the experience of vulnerable groups as consumers of utilities. It was noted that vulnerable groups often ‘miss out’ on better customer packages from utility providers that involve switching providers. Research affirms this substantive point, by showing that ‘disadvantaged customers, in particular, [are] unlikely to switch’.<sup>7</sup> Among the factors impacting this behaviour in Northern Ireland are issues around access to internet services, the availability of internet connectivity and confidence in using the internet among the vulnerable.

The issue of uneven access constitutes a ‘digital divide’, as indicated most recently by Ofcom research. For example, as at the first quarter of 2012, the take-up of fixed-line broadband (66%) and mobile broadband services (7%) in Northern Ireland were both lower than the UK averages (72% and 13% respectively); 31% of homes in Northern Ireland had no broadband connection (fixed or mobile); and, less than half (44%) of those aged 55+ had access to broadband services, as compared to the equivalent UK average of 59%.<sup>8</sup> Participants at both engagement events also observed that computer illiteracy among disadvantaged groups could further impact their capacity to switch utility providers in pursuit of savings.

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<sup>6</sup> BBC News, Poor suffer as living costs rise by 25% - Rowntree report. [Online]. Available at: <http://www.bbc.co.uk/news/uk-23083218>

<sup>7</sup> G. Simmonds, *Consumer Representation in Europe: Policy and Practice for Utilities and Network Industries, Part I Consumer Representation in the UK*, University of Bath, 2002.

<sup>8</sup> Ofcom, *The Communications Market Report: Northern Ireland*, Ofcom: London, 2012, p.6.

As the relationship between financial management and consumer behaviour evolves, becoming increasingly digitally-dependent, the challenge for government in taking forward the proposed consultation options is how to prevent vulnerable consumer groups in Northern Ireland from being further excluded. The Consortium therefore calls for further clarification from government as to how the proposed plans would address this particular digital predicament.

Participants also drew particular attention to the relationship between financial capability and the consumer vulnerability of women and rural dwellers within the current socio-economic environment. We explore this point in more detail in the next two sections. For now, though, it is important to examine the crucial link between financial capability and consumer vulnerability in more general terms.

In recent years, the convergence of exceptional socio-economic factors has contributed to rises in poverty and vulnerability in Northern Ireland. These factors include austerity measures and the related impact of tax and benefit reform, such as cuts to support for childcare; rises in the cost of living,<sup>9</sup> such as utility and food prices; and, stagnant and static incomes. For example, this vulnerability has been characterised by rising fuel poverty and projected increases in child poverty<sup>10</sup> associated with proposed welfare reform. Recent research by the Joseph Rowntree Foundation<sup>11</sup> affirms this trend by showing that rising childcare and energy costs, in tandem with stagnant incomes and benefit cuts, have extended the poverty gap in the UK by 'creating [an] unprecedented erosion of household living standards'.<sup>12</sup> As compared to other regions in the UK, Northern Ireland has the highest rate of working-age people claiming an out-of-work benefit, and so is disproportionately affected in terms of poverty among this working-age unemployed category.<sup>13</sup> But, as research further indicates, this rising poverty affects both the jobless *and* the employed in Northern Ireland: of the 13 million people living in poverty across the UK in 2011/12, over half were in a working family.<sup>14</sup> The number of people in low-paid jobs across the UK has also increased, while average incomes have decreased:

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<sup>9</sup> BBC News, op. cit.

<sup>10</sup> See Horgan, op. cit.

<sup>11</sup> D. Hirsch, A minimum income standard for the UK in 2013, JRF, 2013.

<sup>12</sup> Op. cit.

<sup>13</sup> T. MacInnes, et al. Monitoring poverty and social exclusion, JRF, 2013.

<sup>14</sup> Ibid.

some 5 million people earn below the living wage.<sup>15</sup> Hardship and deprivation of this kind can severely constrain individuals' purchasing decision-making, forcing them to rely on consumer options that could further jeopardise their financial stability, such as so-called payday loans. This point was underscored at both engagement events.

In short, issues around the failure of vulnerable groups to switch utility provider, and accrue associated savings, can reflect their disempowerment as consumers in a context of extended austerity and rising poverty. Addressing this disempowerment in meaningful and impactful ways represents a substantial challenge for consumer representation provision/delivery in Northern Ireland, both now and in the future. Given the projected increases in poverty, it is anticipated that the scale of this challenge is likely to increase. As DETI moves forward with these proposals, it is imperative that it takes seriously expected rises in consumer vulnerability linked to both actual and anticipated rises in poverty levels, by supporting provision that is properly responsive to changes in consumer needs.

CCNI has already helped to address some of the key issues affecting vulnerable consumer groups, not only in respect to utility purchasing, but also in respect of other key areas such as food purchasing. So, for example, its commitment to achieve effective representation for vulnerable groups, and to empower them to make improved purchasing decisions, is reflected in its Outreach Strategy 2011-15, which specifically targets 'hard to reach audiences', including low income consumers, older people, people with disabilities and those 'lacking in confidence in the internet'.<sup>16</sup> As part of this work, CCNI has engaged with groups such as Gingerbread and Sure Start.

Overview statistics recently obtained by the Consortium from CCNI indicated that, in the period 1 January to 3 December 2013, CCNI attended/organised thirty six engagement events targeted at vulnerable groups/consumers: nine of which were in designated areas of deprivation, and one of which was female-only. The events ranged from providing advice to carers' support groups, older people and people with disabilities to providing consumer information stalls. Going forward, a strengthened

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<sup>15</sup> Ibid.

<sup>16</sup> P. Simpson, Review of the Consumer Council for Northern Ireland, 2013, p.15.



CCNI could feasibly build on this unique, centralised, integrated experience. From this perspective, this consultation could be treated as an opportunity to enhance the role of CCNI, allowing it to more fully meet the projected increased need for effective consumer representation among the vulnerable.

### **Recommendation**

- CCNI is uniquely positioned to provide effective consumer protection to vulnerable groups. The Consortium urges DETI to properly reassess how the options to reduce and render redundant the role of CCNI might negatively impact such representation.

#### *Women as vulnerable consumers*

**3.3** The link between financial capability and consumer vulnerability has a gendered dimension, which has its roots in financial literacy differentials. DETI research suggests that ‘the main differences between men and women in terms of financial capability related to higher reported levels of financial knowledge and awareness amongst men’.<sup>17</sup> Yet this observation takes no account of other key gender differences impacting financial literacy. For example, because of temporary and part-time working patterns, women can be less likely to have pensions or experience of dealing with pensions. The role of women as primary care-givers is a key factor underlying these working patterns. Recent research by Carers’ UK has indicated that women constitute 64 per cent of the 207,000 carers in Northern Ireland.<sup>18</sup>

The time-burden on women as primary care-givers can obstruct and even preclude their participation in the formal employment sector by severely restricting their options. Some of these women may look for part-time work to fit around their caring responsibilities, yet such positions can be precarious, low-paid and temporary. In other cases, part-time work outside the home may be impractical for women as primary carers. So by undertaking the role of unpaid primary carers, women can be left with no option but to opt out altogether of paid work outside the home. In so far

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<sup>17</sup> DETI, Equality screening form, 2013. This form accompanied DETI’s *Taking Control: A Financial Capability Strategy for Northern Ireland Policy Consultation*.

<sup>18</sup> Carers’ UK, *Valuing Carers: Calculating the Value of Carers’ Support*, CUK: London, 2011.

as it can further financially disempower women, this gendered dimension of financial capability can leave women more vulnerable as consumers.

Research affirms that gendered barriers to financial capability, and thus to consumer empowerment, also involve reduced opportunities for women to have 'experiential learning' in financial management through participation in household financial decision-making, working outside the home, accessing credit and holding property.<sup>19</sup> At certain stages of their lives and at certain life events, specifically crisis events, women in this category are likely to be in particular need of robust, independent consumer representation and money management advice. For example, women can face poverty on the death of a spouse, and this hardship may be compounded by the propensity of women to live longer than men.<sup>20</sup> Women in Northern Ireland also face an increased risk of financial and consumer vulnerability associated with lone parenting: of the 63,900 lone parent households with dependent children recorded in the 2011 Census, 91 per cent were female-headed.<sup>21</sup> For other women, crisis events may entail financial vulnerability linked to domestic violence, and this can have its own particular impact on consumer vulnerability.

Recent CCNI statistics give a useful insight into the nature of demand/need among women in Northern Ireland for effective, independent consumer representation. In the period 1 January to 3 December 2013, CCNI received 1311 contacts from females, equating to 44 per cent of total contacts made. These contacts cut across the areas of energy, water and transport.

To address gender differentials in financial capability related to consumer vulnerability, it is important to design and implement more suitably tailored gender-specific interventions to meet the specific needs of vulnerable women as consumers. Disappointingly, the consultation documentation makes no mention of gender-

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<sup>19</sup> A. Hung, J. Yoong and E. Brown, Empowering women through financial awareness and education, *OECD Working Papers on Finance, Insurance and Private Pensions*, No. 14, OECD Publishing, 2012.

<sup>20</sup> D. Weir and R. Willis, Prospects for widow poverty in the finances of married couples in the HRS, in O. Mitchell, P.B. Hammond, and A. Rappaport (eds). *Forecasting Retirement Needs and Retirement Wealth*, University of Pennsylvania Press: Philadelphia, 2000.

<sup>21</sup> R. Russell, Northern Ireland Assembly, Research and Information Service Research Paper - Census 2011: Key Statistics at Northern Ireland and LGD level, NIA: Belfast, 2013.

specific services and interventions to address the gender gap in financial literacy and its link to consumer vulnerability for women.

### **Recommendation**

- We recommend that, as it progresses plans around this consultation, DETI should take the necessary steps to meaningfully address the gendered dimension of the link between consumer vulnerability and financial vulnerability affecting women in rural and disadvantaged areas.

### *Rural provision*

**3.4** Participants at both engagement events stressed that any future consumer representation model must take proper account of the specific consumer needs, interests and perspectives of rural communities. The relationship between access to banking, access to transport and the risk of financial exclusion was identified as a substantive issue for rural consumers.

It was noted that over 20 per cent of Northern Ireland's banking branch network had already closed, resulting in particular difficulties regarding access to everyday banking services in rural locations. It was observed that in addressing this banking dilemma, CCNI has, amongst other things, created a new Personal Current Account Manifesto, outlining what consumers in Northern Ireland need/want from day-to-day banking.

The impact of this rural banking deficit on consumer vulnerability is compounded by the depleted nature of the rural transport infrastructure in Northern Ireland. Vulnerable women and families can face an additional barrier to financial inclusion and consumer empowerment by residing in rurally isolated communities, where public transport can be inaccessible and/or unaffordable to them. Affordable/accessible transport services are pivotal in helping to reduce rural isolation and the hardship that can accompany it. Yet public transport often prioritises availability at peak times to accommodate commuter travel, while variable availability at other times can exclude vulnerable consumer groups. Participants observed that other factors affecting the financial/consumer vulnerability of women

and rural families include issues around reliance on single farm payments, and the fact that farming families are often 'asset rich and cash poor'.

Clearly, addressing financial exclusion among rural consumers in meaningful and impactful ways calls for a robust model of consumer representation, which could effectively address the specific needs, interests and perspectives of rural communities. Participants at the focus group argued that under option 1, CCNI's role could be augmented with the aim of allowing it to better address rural issues.

It was further suggested that, under an enhanced future role for CCNI, the organisation could potentially raise its profile and presence in the north west and rural areas, to compensate for the perception that it is Belfast-centric, given the location of its offices. Moreover, participants were of the view that an enhanced CCNI under option 1 could do more to address the perception that the organisation is geared more toward addressing consumer issues affecting the socially advantaged than the socially disadvantaged.

To that end, participants noted that a strengthened CCNI with more capacity could engage more effectively in outreach with disadvantaged women in both the north west and rural areas through the Women's Regional Consortium. The Consortium comprises dynamic, established networks of women's centres and groups across Northern Ireland, and engagement with women through these networks would provide a 'bottom up' perspective on the particular consumer needs and interests of disadvantaged women in rural and urban areas. It is important that the 'voices' of these women as consumers are publicly heard and actively listened to within the context of whichever model of provision is decided upon, in order to ensure equality of provision across pertinent consumer demographic categories, including gender, socio-economic status and geographic location.

### **Recommendation**

- The Women's Regional Consortium recommends that as DETI takes forward its plans for the future of consumer representation in Northern Ireland, it gives due consideration to addressing the particular needs of rural consumers.

#### **4. Conclusion**

Consumers in Northern Ireland, as elsewhere, do not constitute either a homogeneous or fixed group. Rather, they are differentiated by key demographic factors such as age, socio-economic status, gender and geographic location, which in combination define different consumer 'constituencies'. Each of these constituencies is characterised by specific and evolving consumer needs, interests and perspectives. Clearly, addressing this heterogeneity effectively calls for a robust model of consumer representation that is suitably responsive to the evolving nature of consumer priorities.

The Consortium is particularly concerned that the evolving consumer needs of vulnerable women and families in rural and disadvantaged areas should be properly addressed by any future model of consumer representation in Northern Ireland. Motivated thus, and for the reasons outlined in this response, we believe DETI's review of consumer representation proffers an important opportunity to rethink the role of CCNI, strengthening and extending its remit in such a way as would allow it to more fully respond to the specific needs of vulnerable and at risk consumers.

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**Appendix 1 – Women’s Regional Consortium Consultation Event (WRDA-facilitated), 26 November 2013**

**Format:** short presentation given by Aodhan O’Donnell, Consumer Council for Northern Ireland, outlining the work of the body. Followed by consultation event engagement.

**Organisations represented:**

Fermanagh Women’s Representative

Women’s Tec

Women’s Forum NI

WRDA

South Belfast Partnership Board

WSN

**Appendix 2 – Women’s Regional Consortium Focus Group (Women’s Centre Derry-facilitated), 28 November 2013**

**Format:** short presentation given by Aodhan O’Donnell, Consumer Council for Northern Ireland, outlining the work of the body. Followed by focus group engagement.

**Organisations represented:**

Foyle Women’s Information Network

Mark H Durkan Office

Women’s Centre Derry