



**Advice NI response to the Draft Charges Scheme for Northern Ireland Water Limited (NIWL)**

Deadline: Monday 5<sup>th</sup> March 2007

Advice NI welcomes the opportunity to respond to the consultation on the Draft Charges Scheme for Northern Ireland Water Limited 2007/08 as published by the Department for Regional Development.

**1. Advice NI:**

Advice NI is a membership organisation that exists to provide leadership, representation and support for independent advice organisations to facilitate the delivery of high quality, sustainable advice services. Advice NI exists to provide its members with the capacity and tools to ensure effective advice services delivery. This includes: advice and information management systems, funding and planning, quality assurance support, NVQs in advice and guidance, social policy co-ordination and ICT development.

Membership of Advice NI is normally for organisations that provide significant advice and information services to the public. Advice NI has over 70 member organisations operating throughout Northern Ireland and providing information and advocacy services to over 150,000 people each year dealing with over 237,000 enquiries on an extensive range of matters including: social security, housing, debt, consumer and employment issues. For further information, please visit [www.adviceni.net](http://www.adviceni.net).

Specifically in relation to the consultation, Advice NI would make the following comments:

## **2. General Comments:**

Advice NI has been actively involved in responding to the issue of water reform, which we see as a major consumer issue and many of the concerns raised in previous submissions remain unchanged.

This consultation document states that it is not concerned with proposed charging policies of the new company. This causes us concern as the consultation document includes many policy statements and we find it impossible to comment on the form and content of the draft charges scheme without reference being made to the policies.

Advice NI have concerns that the deadline for this consultation on draft water charges is so close to the implementation date on 1<sup>st</sup> April and therefore question if any comments highlighted in these submissions will be taken into consideration with a view to change.

We find the consultation paper inconsistent, not very user friendly and difficult to understand even for those who have a substantial level of knowledge on water charges. There is currently a poor level of both financial literacy and financial capability in Northern Ireland and this should be reflected. We would suggest that a simplified version of the scheme is produced which could include a glossary and samples of water and sewerage charges likely to be incurred by the different groups of the community.

Due to our increasing population of minority ethnic groups we would suggest this document is made available in other languages, online, Braille and so on.

There are also a lot of errors in this consultation document. For example on page 5 the telephone number relating to queries on water quality is incomplete and on page 6 the contact details for NIAUR are missing.

### **3.0 Metering:**

Advice NI welcomes the decision to offer the metering option to pensioner households, new properties and first time connections. However, in addition to these provisions we feel the metering option should also be made available to all consumers particularly those who are most financially vulnerable i.e. disabled, special needs, lone parents, chronically ill and those on low incomes. Examples of good practice in this area can be seen in energy efficiency programmes such as the Warm Homes Scheme (linked to benefit entitlement) and the Extension of this scheme to Near Benefit Recipients. Advice NI seeks clarification on how and when the metering strategy will be extended to include other vulnerable groups over and above pensioners.

Paragraph 10.1 states that where a meter is installed externally it will record any leakage from the underground service pipe between the meter and the property, and if this happens a large bill may result. It continues to state that provided certain criteria are met the company may grant a leak allowance where a customer has received a large bill because of leakage. Advice NI recommends that information on how to meet the criteria is stated and that customers are granted a leak allowance sufficient to meet the additional costs of the higher bill.

More clarity is required on whether a customer will be financially better off paying metered or unmetered charges especially during the first two years.

### **4.0 Pipe size:**

Paragraph 5.16 states that the standing charge for both water and sewerage are determined by reference to the diameter of the water supply pipe. This paragraph goes on to say that where no supply pipe size is indicated on the meter a notional pipe size will be assessed and charged by the company. Advice NI requests the method for assessment of the notional pipe size is stated and recommend when the pipe size is unknown that the minimum charge be applied.

### **5.0 Unoccupied Properties:**

Section 6 on liability to pay charges states that where a sole occupier of a property paying water charges on an unmetered basis is hospitalised or enters a nursing/

residential home for a continuous period between 1 and 12 months the company may only charge water and sewerage standing charges for the period the occupier is in hospital. Advice NI would recommend that each case be treated on individual circumstances and request that consideration is given to waiving the total charge.

Paragraph 6.12 states that after 12 months full capital value based charges will be payable unless a meter is installed or the water supply is temporarily disconnected. There is a lack of clarity whether there will be a charge for reconnection. Advice NI recommends that there be no charge for reconnection and if there is to be a charge NIWL needs to specify what this charges will be and the circumstances that charges will/will not be imposed.

#### **6.0 Payment of Water and Sewerage charges:**

Advice NI welcomes the wide range of payment methods and payment channels however we do have some concerns.

In relation to section 15.20 we would have some concerns that in the future there is a possibility the company may be able to withdraw water and sewerage charges from a persons benefit. We have concerns usage of this method could cause hardship for those living on benefits and already struggling to cope with other financial commitments. Advice NI recommends that if this option was to become available in the future any direct payments must involve negotiation between the customer, the company and a intermediary body such as a money advisor.

Paragraph 15.8 states that where a customer has agreed a plan to pay a full year's unmeasured charges by a number of installments and subsequently fails to pay one or more installments, the balance of annual charges will become payable immediately. Advice NI has concerns that this appears very harsh and not customer focused. We are keen to see the Debt Management Code of Practice when it becomes available.

We would also ask that the timescale to pay the measured charges in arrears be similar to other utility providers and be extended to 28 days as opposed to 14 days. We also suggest that payment for metered charges be made available on a quarterly basis as well as twice yearly, and this should be similar to other utility providers.

Paragraph 15.19 states that by agreement credit card payments will be taken over the telephone if the company has telephoned a customer seeking payment. This causes us some concerns that the company will be able to chase credit card payments with the potential that customers could go over their credit card limits and penalty charges will be imposed on their account as a result of having to pay for their water and sewerage charges. We would seek assurance that all other payment methods be explored before the credit card payment option is used.

Advice NI have concerns with paragraph 15.25 whereby it states that at least one reminder will be sent before notice to issue a Magistrates Court claim is sent. We regard this procedure as unnecessarily hasty and unreasonable for customers. If there were to be another postal strike customers may accidentally overlook one reminder notice therefore we recommend NIWL issue two reminder notices before notice to issue a Magistrates Court Claim is sent. In the absence of the Debt Management Code of Practice we would recommend the company use customer friendly payment options.

### **7.0 Septic tanks:**

In this consultation document we find the information relating to septic tanks very misleading. In section 2.3 it refers to premises that have a private water supply and/or a septic tank will not be liable for a water or sewerage charge. However on page 76 it outlines that charges will be levied to have a septic tank emptied, which will be based on the size of the septic tank.

Advice NI finds the charge to have septic tanks emptied high in comparison to other companies. We would suggest that this be similar to England and Wales as throughout the water consultation the Government have stated that charges will be pegged to England and Wales and we seek clarity as to why this has not happened with septic tank charges.

There are concerns that by not emptying septic tanks on an annual basis as recommended, could result in environmental damage and public health concerns. We would recommend a programme be introduced to have septic tanks emptied on an

annual basis to ensure the safe disposal of domestic waste. We also question the likelihood that the introduction of the septic tank charges could encourage some customers to have their wastes disposed of by illegal methods in order to avoid paying this charge.

We would suggest guidance is made available to customers outlining how they can find out the size of their domestic septic tank.

### **8.0 Affordability Tariff:**

Advice NI welcome the affordability tariff, which will provide assistance to those low income households in receipt of housing benefit.

Advice NI believes that the Department must develop a benefit uptake strategy to ensure that all appropriate people are claiming all appropriate benefits to enable them to avail of the affordability tariff. To this end we would recommend that the Department work with Advice NI on such an uptake strategy as our members target both deprived geographical areas and also vulnerable social groups including people within Section 75 groups.

It is proposed that the affordability tariff will be available for a 3-year period and may continue after this date. Advice NI would urge the Department Of Regional Development to continue to ensure the affordability tariff is available on a permanent basis for those who require it. Removal of the affordability tariff for the most vulnerable sections in our community will worsen the levels of debt in Northern Ireland and push people into financial and water poverty.

In the interest of the principles of fairness, affordability and human rights we advocate that the permanent availability of the tariff is enshrined in legislation and continued and available for low income and vulnerable groups post 2010.

## **9.0 Consultation Questions:**

**Question 3.3** – The Department seeks comments as to whether the draft charges scheme meets the requirements imposed by the Order in respect of items to be included in the company’s charges scheme.

Article 201 of the Order states that the scheme should provide the timescales and methods of payment to the charges fixed by the scheme. Whilst the draft charges scheme contains most information Advice NI considers that further information is required on the timescales for the payment of the charges outlined within the Order.

**Question 3.5** – The Department seeks views as to whether the draft charges scheme provides customers with sufficient information about the charging policies of the company and the level of the tariffs.

We suggest more information be made available on the summary table of main charges, which contains a large amount of information but no explanation for customers to help them understand it. For example why the charges differ by type and why is the pipe size more expensive post laying. More information is also required on the VAT table and the Meter Reading Programme.

**Question 3.6** - The Department also welcomes views on the overall form and content of the draft charges scheme including the overall presentation of the information contained in it.

As highlighted at the start of this response Advice NI feels this document contains a lot of errors, is difficult to understand and is inconsistent in places.

Finally Advice NI would make comment on the consultation process generally. Not only is it very important that this process is rigorous but that people have had every chance to feed in and express their views. Regarding the latter point, Advice NI believes that more could be done (workshops, information sessions etc) to actively engage with a wider range of stakeholders– most importantly the general public who will be most affected by these deliberations. We have offered the eConsultation service as one of a range of potential tools for maximising participation and we would ask the Water reform Unit / the Department for Regional Development to keep this situation and this offer under review.

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