Research into access to justice for vulnerable and energy poor consumers in the European energy market

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# 1. Our research Project

- The role of ADR in enhancing access to justice in the energy sector
- Whether ADR caters for/empowers the most vulnerable energy users

https://esrcjustenergy.wordpress.com/





'ADR offers a quicker and cheaper alternative to the court system, when disputes cannot be resolved between the consumer and the business directly. The greater availability of ADR will strengthen consumer protection and improve consumer confidence.'

- The growing importance of ADR and the lack of users experience
- Claim to fame: easily accessible, user-friendly, transparent, ... access to justice.
- Empirical data?
- Decision-acceptance and trust...?
- Who uses ADR?



## **Energy as a case study**

The European energy sector selected as a case study to investigate the issues of ADR and access to justice.

- Cross-European system of ADR introduced
- ADR seen as a key part of advice-regulation-enforcement approach
- Important populations suffering detriment i.e. issues of vulnerability and energy poverty

Energy is a key site at which issues around the role of ADR, access to justice, and reaching vulnerable populations intersect

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#### **ACCESS TO JUSTICE AND ADR**

- criticism of the formal justice system
- challenging the aspirations of ADR
- informal justice

#### **DESIGNING JUSTICE**

What kind of consumer ADR design would genuinely be accessible to vulnerable populations?

#### Dilemmas for consumer ADR:

- 'user-focus' making service fit for current users
- 'non-user focus' attracting non traditional users

#### **VULNERABILITY AND ENERGY POVERTY**

many dimensions to vulnerability ...

A vulnerable consumer is someone 'who, as a result of sociodemographic characteristics, behavioural characteristics, personal situation, or market environment:

- Is at higher risk of experiencing negative outcomes in the market;
- Has limited ability to maximize their well-being;
- Has difficulty in obtaining or assimilating information;
- Is less able to buy, choose or access suitable products; or
- Is more susceptible to certain marketing practices.'



- Consumer protection policies
- Energy poverty provisions
- Definitions / terminology
- Cultural differences [climate, law, local level solutions, ...]
- Usually a cluster of problems
- Local national EU level

#### WHO ARE WE TALKING TO?

- ✓ Energy ombudsmen / ADR providers
- ✓ Regulators
- ✓ Energy companies
- ✓ NGOs
- Consumer associations
- ✓ Consumers
- ✓ Specialist organizations fighting energy poverty
- ✓ Energy poverty observatories

#### **DESIGNING JUSTICE – DIFFERENT MODELS TO CONSIDER**

What kind of consumer ADR design would genuinely be accessible to vulnerable populations?

- Catalonia public ombuds with human rights focus deals with energy disputes
- ➤ UK not-for-profit private company dealing with a range of consumer issues deals with energy disputes
- Ireland regulator responsible for complaint handling
- Central v local models, contrasting local procedures (e.g. company ombuds), contrasting "outreach" approaches

Early stages but one interesting approach is the UK's Extra Help Unit

 Advocacy service (referral only) which only deals with vulnerable consumers and negotiates on their behalf with firms

# Remaining questions

## • [ADR]

 What is the best way for ADR (ombuds) to engage with vulnerable consumers and assist them?

## [quick-fix or long-term solution]

• Why do we expect a solution to be found easily – might we have to look at the problems *in context* to understand how help is best tailored?

## • [The best approach]

It's about more than just energy!

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