

## **Written evidence submitted by the Ombudsman Services (EVP0086)**

### **1. General comments**

1.1 We welcome the Transport Select Committee Inquiry into ‘Zero emission vehicles and road pricing’. This submission highlights some areas we think are worth consideration for this inquiry. As this inquiry progresses, we would be happy to provide further data and insights to the Committee that we consider useful and to provide oral evidence if appropriate.

### **2. About Ombudsman Services**

2.1 Ombudsman Services is a not-for-profit private limited company established in 2002 which runs a range of discrete national Alternative Dispute Resolution (ADR) schemes across different sectors, including the sole ADR scheme in the energy sector, the Ofgem-approved Energy Ombudsman. We also operate in the communications sector and run an appeals service in private parking. Each scheme is funded by the companies under our jurisdiction and our service is free to consumers. In 2019 we received 157,808 initial contacts from complainants and resolved 88,840 complaints. In the energy sector we received 116,700 initial contacts and resolved 58,034 cases, and in the communications sector, we received 40,184 initial contacts and resolved 17,426 cases. We also received over 84,000 appeals in our private parking appeals service.

### **3. How we operate**

3.1 We operate at a critical juncture between suppliers, consumers and the government to resolve complaints and mediate disputes. Our work covers key areas of infrastructure, from smart meters and energy networks to 5G and fibre broadband. In order to streamline our work in the energy sector, we operate a tripartite model between ourselves, Ofgem and Citizens Advice. This enables clear communication and the sharing of data and insights to help deliver better innovation and competition that results in positive outcomes for consumers. This practice enables us to drive up standards in the industry by encouraging collaborative approaches to making improvements, managing expectations and informing policy.

3.2 We invest heavily in building this data and insights capability. Our focus has become more explicitly systemic and preventative as we have built up expertise in understanding where consumer trust is under threat and how best we can work with industry, regulators and policymakers to recover it.

### **4. Responses to particular matters**

- **The feasibility, opportunities and challenges presented by the acceleration of the ban of the sale of new petrol and diesel vehicles to 2030.**

4.1 The UK and Scottish Government ambitious 2030 targets for the ban on the sale of new petrol and diesel vehicles has put the need to better understand the impact that electric vehicles (EVs) and charging systems will have on consumers in the spotlight. Like most organisations, we are currently considering how these targets for EV use will impact consumers and, also on the services that we provide.

4.2 We think that there are some challenges for consumers in transitioning to using transport that may require different attitudes and behaviours. Buying and owning an EV will require new or different interactions with energy suppliers, and potentially new financial obligations. Work remains to be done in terms of engagement, education as well as the physical infrastructure to make the uptake in EV use a reality for most of the population. There is a relatively short period of time for the UK Governments and the sector to build consumer trust in the EV sector. Consumers must be able to trust that electric charge points will provide a straight-forward and reliable service in the same way that filling up the tank with petrol/diesel does in garages at the moment. They will also need to be able to trust that they have somewhere to go for redress if things go wrong with their vehicle; the charging mechanisms they use; billing and the tariff and payment methods they use.

- **The actions required by Government and private operators to encourage greater uptake of electric vehicles and the infrastructure required to support them;**

4.3 To enable the EV market to grow at the pace required to meet the new targets, we believe that infrastructure needs to be accessible and reliable. National standards and regulation need to be thought out and introduced to protect consumers at the same time as also attracting investment into the sector. The consumer experience needs to be placed at the forefront of the development of the EV and charging sector to help build consumer trust and confidence in the new technology and boost new consumer behaviour to purchase electric vehicles.

4.4 Consumers will need to trust that EVs will work for them. This will mean ensuring that the infrastructure which allows for the uptake of EVs is in place and available to all consumers who currently rely upon a petrol or diesel vehicle. The charging infrastructure needs to be built with consumers in mind. We know that smart charging is going to be prevalent in the future. Smart chargers allow EV charging to be intelligently controlled, so that charging can take place at times when the electricity system has surplus capacity, such as overnight, allowing consumers to save money and help manage demand on the grid. These features will require greater engagement with consumers.

4.5 Smart Charging will present opportunities to make charging easier as well as provide a range of charging options, pricing and packages. However, there is a danger that some consumers, including the most vulnerable and lower paid sectors of society, could end up being disadvantaged in that where they live, their lifestyles and working requirements may make it impossible or more difficult for them to access the benefits that smart charging will bring to many consumers. It is vital that as smart charging develops, consideration is properly

given to fairness, equality of opportunity as well as adequate and understandable consumer information and advice.

4.6 Reliable, independent and trusted information will need to be available to address the public's lack of knowledge and understanding and to ensure transparency about charging, prices and tariffs. Consumers need to have access to the right information from reliable sources. This will be just as important as the charging infrastructure itself. They will need to be able to find appropriate tariffs with an energy supplier which can also adapt as their needs change. This means considering, for instance, the interoperability across physical equipment (e.g. ensuring that all charging points fit all vehicles) and tariffs. There needs to be a connected consumer journey, with clear access to redress so that consumers know where to go when things go wrong.

4.7 Streamlining the journey and having a clear roadmap which considers the consumer experience from acquiring their EV through to using, paying for and replacing an EV, its component parts or associated equipment as well as a framework of information and redress, will be critical. Ombudsman Services believes a simple, straightforward consumer journey is necessary in order to break down barriers to engagement and uptake. We need to make sure consumers are at the heart throughout the infrastructure design and that accompanying objective information is made accessible to all consumers in enough time for this major transition.

February 2021