

Emailed to: patrick@brightblue.org.uk

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7 August 2020

Dear Patrick,

### **Call for Written Evidence on maturing the market for electric vehicles**

I write in response to the call for written evidence on maturing the market for electric vehicles (EVs). In Appendix A we provide some background to Ombudsman Services.

#### **General Comments:**

We know decarbonising transport plays an important part to achieving the wider UK net zero targets for 2050. As you mention, with just over 200,000 ultra-low emission vehicles on the road and with a total of over 37 million vehicles on the road, there is a long way to go to increase the uptake of EVs and so help decarbonize the private transport sector and in turn contribute to the UK meeting its net zero target. It is important to review the challenges and relevant policy interventions required to encourage the uptake of EVs and ensure the market matures appropriately. Broadly, we see that for the market to move in the right direction that:

- infrastructure needs to be appropriate;
- standards and regulation need to be well considered to protect consumers but also attract investment into the sector; and
- the consumer experience needs to be placed at the forefront of the development of the sector to help build consumer trust and confidence in the new technology and boost new consumer behaviour to purchase electric vehicles.

#### **Key points:**

##### **Question 1: How important is fully electrifying private transport to achieving net-zero by 2050?**

We agree that it is important that private transport is electrified. It is a key part in helping the UK achieve net zero by 2050.

##### **Question 2: What are the key demand-side constraints to the uptake of EVs?**

As we have mentioned above, consumer confidence and trust in new technology is key. Consumers will have different reasons for moving to EVs. For early adopters it will be because they believe in the technology, want to be proactive in



helping reduce carbon emissions, or can identify personal benefits to them by being engaged in the market, for example charging electric vehicles at times when energy is cheaper.

For other consumers, there will be concerns about how the technology works, the price of an EV, how charging point infrastructure is organised, the cost of the support kit such as charging point for an EV, and, of course, what happens if something goes wrong?

There will also be consumers who are not domestic consumers, such as microbusinesses and small and medium sized enterprises. Many of whom, from the complaint data that we see, act in very similar ways to domestic consumers. For example, they often have little bargaining power in the markets, make decisions with little or no information and are often not well placed to either fund or pursue redress through the courts if something goes wrong and they want resolution of their complaints.

### **Question 3: What are the key supply-side constraints to the uptake of EVs?**

Some of the potential supply side constraints include:

- Not having in place a clear framework around standards regulation and redress that makes the landscape appear uncharted or nascent to potential investors.
- The different sectors involved in EVs and private transport need to work together and be joined up to help the supply side. For example, the transport sector, manufacturing, parking, energy and communications to name but a few. This includes different regulators to work together and for consumer redress providers to do the same.
- Economic arrangements also need to be looked at so that the new EV technology is seen to be more affordable and offer a real alternative to the more traditional petrol and diesel vehicles.

### **Question 4: What types of policy interventions are required to catalyse the EV market?**

### **Question 5: What are the policy recommendations that would help mature the EV market?**

We have taken question 4 and 5 together. From our perspective the policy interventions and recommendations to catalyse the EV market and help mature the EV market stem from the same points. They include:

- The development of a regulatory structure and landscape that works in terms of setting the right standards and operating environment to attract investment and has clear consumer protections in place with access to free consumer redress when things do go wrong.
- EVs are an example of a new technology that will blur the lines between historic sectors, bringing together homes, energy and transport in a way that has not happened before. As an organisation that works across the energy, communications and parking sectors, we know the value in engaging early with stakeholders to make use of the right data and insight as the sector evolves and different sectors working together to achieve this. EVs will cross different sectors but it makes sense to consider early on how to ensure a consistent consumer experience from start to end, so whichever touchpoint the consumer has a complaint about, they can expect the same high-level complaint handling standards and expect a resolution.
- Putting consumers at the heart of designing the framework for EVs is key. Whilst it is important to focus on the infrastructure and investment from an engineering and business lens, in order to ensure that consumers embrace EVs, they need to be confident that they are sufficiently protected and that EVs will meet their needs. As well as the appropriate infrastructure such as sufficient charging points in sensible locations, in a society where we could be building towards over 37 million EVs, we know that it will be necessary to balance supply and demand on the grid, supported by smarter charging and appropriate tariffs to engage consumers but also

still meet the net zero targets. Net zero targets will also be compromised if consumers cannot trust or see a benefit to using the new technology of EVs. Consumers need to trust that they will have a charged vehicle when they need it and that it will get them from A to B.

- Consumer trust and engagement will be built by fair policy decisions that make EVs affordable, supported by the appropriate infrastructure and that give consumers an avenue for redress when things go wrong. The Electric Vehicle Energy Taskforce put forward 21 proposals to government and industry for managing the integration of EVs into the energy system. A key theme in that report was winning consumer trust and confidence<sup>1</sup> and a focus on principle-based complaint handling standards and a review of consumer protection to ensure that all aspects of the consumer journey are covered. EV, smart charging and energy provision cut across different sectors and it is important to make sure that consumers have a clear route to redress. As the sole alternative dispute resolution provider in the energy sector, we see complaints from consumers about a range of issues, for example from billing, installations and poor customer service. As energy providers start to offer tariffs or equipment for consumers with EVs, we can see where some gaps in consumer protection will arise. Not unlike mobile phone and airtime agreements, complaints may involve tariffs and equipment and currently technology complaints sit largely outside our terms of reference as an Ombudsman.

Please do not hesitate to contact us if you would like further information regarding our response. Our response is not confidential.

Your sincerely,



Ed Dodman  
Director of Regulatory Affairs

**For more information regarding this consultation please contact:**

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<sup>1</sup> Energising our electric vehicle transition by Electric Vehicle Energy Taskforce (2019)  
[file:///C:/Users/nogden/OneDrive%20-%20Ombudsman%20Services/Downloads/EV\\_Energy\\_Taskforce\\_Report\\_Jan2020.pdf](file:///C:/Users/nogden/OneDrive%20-%20Ombudsman%20Services/Downloads/EV_Energy_Taskforce_Report_Jan2020.pdf)

## **Appendix A**

### **About Ombudsman Services:**

Ombudsman Services is a not-for-profit private limited company established in 2002 which runs a range of discrete national ombudsman schemes across different sectors including energy, communications and 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.

We are:

- to our consumers, the people they can turn to for impartial advice and solution that's fair;
- to our partners, the people they look to for knowledgeable and insightful ways to help them reduce complaints by enabling them to make the changes they need to deliver better customer services;
- to our regulators, champions in protecting rights as well as partners in information sharing, we share our analysis so that regulators and business partners can make improvements; and
- to our people, here to enable them to deliver clarity to consumers and partners through meaningful work.