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5<sup>th</sup> November 2019

Thank you for your letter seeking clarification over Citizens Advice Scotland's current statutory framework, potential changes resulting from the Consumer Scotland Bill, and details of the levy funding. I have set out the Scottish Government's position on each of these and hope this is helpful.

At the outset though I want to make clear that irrespective of any statutory changes, it will always remain the case that Citizens Advice Scotland (CAS) is a valued partner to the Scottish Government, and will continue to have an important role to play representing consumers.

On the matters you have raised in your correspondence, under the Consumers, Estate Agents and Redress Act 2007 CAS, Citizens Advice England and Wales ("CitA") and the General Consumer Council of Northern Ireland ("GCCNI") have certain statutory functions. These include the power (but not a duty) to investigate complaints made by vulnerable "designated consumers" (currently only gas, electricity and postal services customers), and to require specified persons to provide them with information. They are obliged to investigate complaints by any gas or electricity consumer relating to the disconnection of gas or electricity. In certain circumstances they must refer matters to the Gas and Electricity Markets Authority or to the Office of Communications. They are also obliged to prepare and keep under review guidance for energy consumers.

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Until 2016, under the Utilities Act 2000 and the Postal Services Act 2011, CAS were (along with CitA) the named recipients of levy funding relating to users of electricity, gas and postal services (GCCNI were designated as recipients of the postal levy only). The Scotland Act 2016 amended the 2000 and 2011 Acts, so that CAS are no longer a named recipient of electricity, gas or postal levy funding. Instead, the 2000 and 2011 Acts provide that levies on regulated energy and postal services suppliers may be charged relating to *“such amounts as the Secretary of State considers reasonable in respect of the provision, in or as regards Scotland, of consumer advocacy and advice by, or by agreement with, a public body or the holder of a public office”*. CitA remain named recipients of this funding as regards England and Wales, as do GCCNI for the levy in relation to postal users in Northern Ireland.

The aim of the Consumer Scotland Bill is that, if Consumer Scotland is established as a statutory entity, it will be able to take an overarching and strategic view of consumer advocacy for the benefit of the people of Scotland.

This will not of course prevent CAS giving voice to the lived experiences of Bureaux clients on consumer matters, as it has done for decades. As both the Scottish Government and CAS have noted, CAS and the Bureaux Network have carried out invaluable advocacy work for 80 years in a range of areas, including complex issues such as welfare and debt. Almost the entirety of this has been undertaken without statutory powers.

Although CAS is no longer named as recipients of the levy funding in relation to postal and energy users we have continued to direct this funding to CAS since 2016. In 2019/20, the amount provided for consumer advocacy amounted to around £0.7 million from energy and postal levies, with an additional £0.3 million in levies relating to the water industry.

We anticipate that Consumer Scotland will take responsibility for use of this funding, which reflects that it aligns more closely with the body's greater focus on national research and more strategic overview of consumer interests.

I am however clear that there continues to be a role for CAS in supporting consumers in Scotland. In taking forward the Consumer Scotland Bill I am mindful of the need to safeguard CAS's role in delivering the Extra Help Unit (EHU), which provides specialised support to vulnerable energy and postal users. I have already given assurances to that effect.

Moreover, to support CAS to represent Bureaux clients with consumer issues, the Scottish Government has committed to an increase in grant funding for consumer advocacy in 20/21.

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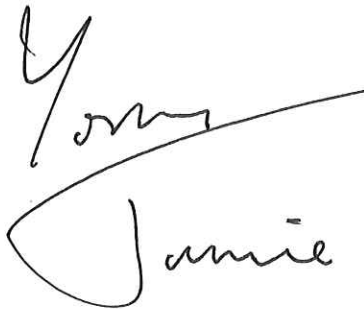
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My clear intention is that CAS will remain a valued voice in the consumer landscape, and will be able to provide a considerable range of information to assist the work of Consumer Scotland, along with a range of bodies with an interest in the position of consumers. I will of course continue to engage with CAS on this matter, and they will continue to receive significant sums from across the Scottish Government in recognition of and to support the full range of services they, and the individual Citizens Advice Bureaux offer.

I trust this response is helpful.

A handwritten signature in black ink, appearing to read 'Yours Jamie', with a large, stylized flourish underneath the name.

**JAMIE HEPBURN**

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