

CONSUMER PROTECTION
PARTNERSHIP: PRIORITIES
REPORT 2015

Second report on the Partnership's
work to date and future priorities

January 2015

The Consumer Protection Partnership



The Consumer Council



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Executive Summary

1. This is the second Priorities Report by the Consumer Protection Partnership (CPP), following the publication of the first [Priorities Report](#) in November 2013.
2. This report explains the background to the creation of the CPP, who its members are and what its role is. It also highlights work undertaken to tackle consumer detriment since November 2013, and outlines the Partnership's new priorities for 2015, which have been informed by a Strategic Assessment carried out over the summer of 2014.

The Consumer Protection Partnership

3. The Consumer Protection Partnership (CPP) was formed in April 2012 as part of the Government's institutional reform of the consumer landscape. The CPP includes the National Trading Standards Board (NTSB), Trading Standards Scotland (TSS), the Department for Enterprise, Trade and Investment Northern Ireland (DETI), the Competition and Markets Authority (CMA), the Financial Conduct Authority (FCA), the Trading Standards Institute (TSI), Consumer Council for Northern Ireland (CCNI), Citizens Advice (CitA), and Citizens Advice Scotland (CAS).
4. The CPP was created as a part of a suite of changes to the consumer landscape in response to a review of the enforcement landscape carried out by the National Audit Office and Public Accounts Committee. The National Audit Office's report "Protecting Consumers – the system for enforcing consumer law" in 2011 identified a lack of clear lines of responsibility for tackling detriment, and said that the system for enforcing consumer law was not delivering value for money.
5. The report was also critical of the way in which organisations were working together in what was a fragmented delivery landscape. Alongside changes to the landscape, the creation of the CPP addressed this criticism by putting in place a structure to bring together the key partners within the new consumer landscape. Its purpose is to bring together consumer protection organisations to jointly identify and prioritise areas where there is greatest harm caused to consumers and to agree and coordinate collective action to tackle such detriment, making use of all available tools at the disposal of each member.

CPP Priorities 2013-14

6. Following a priority setting exercise facilitated by the Office of Fair Trading, in November 2013 the CPP published its first set of Priorities for collective action in order to reduce consumer detriment:

Markets and practices

- Mobile phones and mobile technology
- Second hand cars sector

- Home building sector
- Unfair terms
- Scams
- Doorstep crime
- The Green Deal

Progress against 2013-14 priorities

7. Over the past year there has been a very positive cultural shift across the Partnership. Members are now working together effectively and considering the role they can play alongside other partners to have the biggest impact where it matters most.
8. The cultural change has been underpinned by reforms to the CPP's governance structures. Strategic and operational capability has been improved by splitting the functions into two separate governance layers. The new CPP Strategic Group brings together leaders from across the consumer landscape to set the strategic direction for the Partnership, define the vision and ensure it has the greatest impact possible in tackling consumer detriment. The CPP Operational Group delivers against the priority issues identified by the Strategic Group, through commissioning, resourcing and monitoring the performance of Working Groups. A separate CPP Communications Group brings together press officers and communication experts from across the consumer landscape to coordinate communication campaigns and share messages on key strategic issues. Full details of the CPP's new governance structure are set out in [Annex C](#).
9. Since November 2013 the members of the CPP have worked together, pooling their knowledge, intelligence and expertise to:
 - Promote and share key messages during **National Consumer Week 2013, Scams Awareness Month 2014, and National Consumer Week 2014** to educate and empower consumer to avoid harm caused by rogue traders and scammers.
 - **Horizon scan across the consumer landscape**, spotting the trends causing the most harm to consumers. Capacity in this area was enhanced in 2014 through the creation and joint funding of a CCP Knowledge Hub. The creation of the Hub has led to the production of the CPP's first Strategic Assessment, which informed the most detailed and evidenced based Priorities Report to date. The Hub has additionally empowered the CPP to reassess its priorities according to emerging intelligence, and it is our ambition to establish a rolling programme of evidence and data sharing, allowing the Partnership the flexibility to respond to any new threats which may require immediate attention as they emerge.
 - Implement coordinated holistic action plans to tackle **Doorstep Crime and Mass Marketing Scams**, involving stakeholders inside and outside the CPP.

- Support the **Used Car Commission** to produce recommendations to reduce detriment within the used car industry. These were endorsed by Jo Swinson, Minister for Consumer Affairs and will be taken forward in early 2015.
- Act as an advocate for consumers, protecting their interests in the **Green Deal**.

CPP 2015 priorities

10. The CPP believes that in order to be effective its work must focus on a small set of strategic priorities where it can make most difference by pooling resources. Therefore, early in 2014 the CPP Strategic Group agreed that the CPP should prioritise issues which are:

- Significant causes of consumer detriment (as previously defined by the CPP), either to the specific individuals they affect or cumulatively across the population;
- Of importance to and represented within the priorities of two or more CPP members;
- Most effectively tackled through coordinated and collaborative action by the CPP involving interventions across the consumer regime.

11. The CPP Knowledge Hub and intelligence experts from within the partnership gathered and interrogated information on the causes of detriment from across the landscape and analysed it against the agreed criteria to identify the 2015 Priorities.

12. On the basis of this evidence, **the CPP's Priorities for 2015 are:**

- **Online Markets** - Subscription Traps / Use of Personal Data / Adverts on Social Media and Search Engines
- **Unfair Terms and Conditions** - Unfair Cancellation Terms in Contracts / Consumer Rights at Retail Level
- **Travel** - Car hire / Holiday Products
- **Quality of Services** – Intermediaries

13. The specific issues behind the Priorities and the reasons for why the CPP has selected them are discussed in [Section 2](#).

Future work plan

14. During 2015 the CPP will take forward a range of collaborative actions to tackle its priority issues:

Online Markets

- From April 2015 the NTSB will lead a Working Group of partners to formulate a strategy to tackle detriment arising from subscription traps and social media/ search engine advertising. The NTSB will report back to the CPP by December 2015.
- The CMA will carry out research to understand better how consumer data is being used to create value – for consumers and for business – and how markets that make significant use of consumer data are developing. This work will be done in the first half of 2015.
- Citizens Advice will also publish research into the disadvantages and detriments caused to consumers by a lack of transparency about how the personal data market works, and lack of control over how their data is captured and used, and by whom. The focus is on how the legislative framework can be shaped to maximise benefits to consumers while maintaining sufficient protections for personal data. The research will be published in January 2015 and Citizens Advice will report back to the CPP by June 2015 advising whether collective action by the CPP is appropriate.

Unfair Terms and Conditions

- The CMA will lead a Working Group to identify the level of detriment caused by unfair cancellation terms in contracts and coordinate an appropriate response to detriment that is identified. The Group will begin its work in April 2015 and report back to the CPP by December 2015
- The CPP's Communications Group will support the implementation of the Consumer Rights [Act], coordinating communications messages to ensure that consumers understand their new rights under the [Act]. The [Act] will come into force on 1st October 2015.

Travel

- The TSI will lead research work to better understand detriment in the field of holiday products such as timeshares. The research will commence in January 2015 and TSI will report back to the CPP by April 2015 advising whether collective action from the CPP is appropriate.
- The CMA will assess the outcome of an EU Consumer Protection Co-operation Regulation project on Car Hire due in 2015, before considering whether a CPP response is required to follow up on this work.

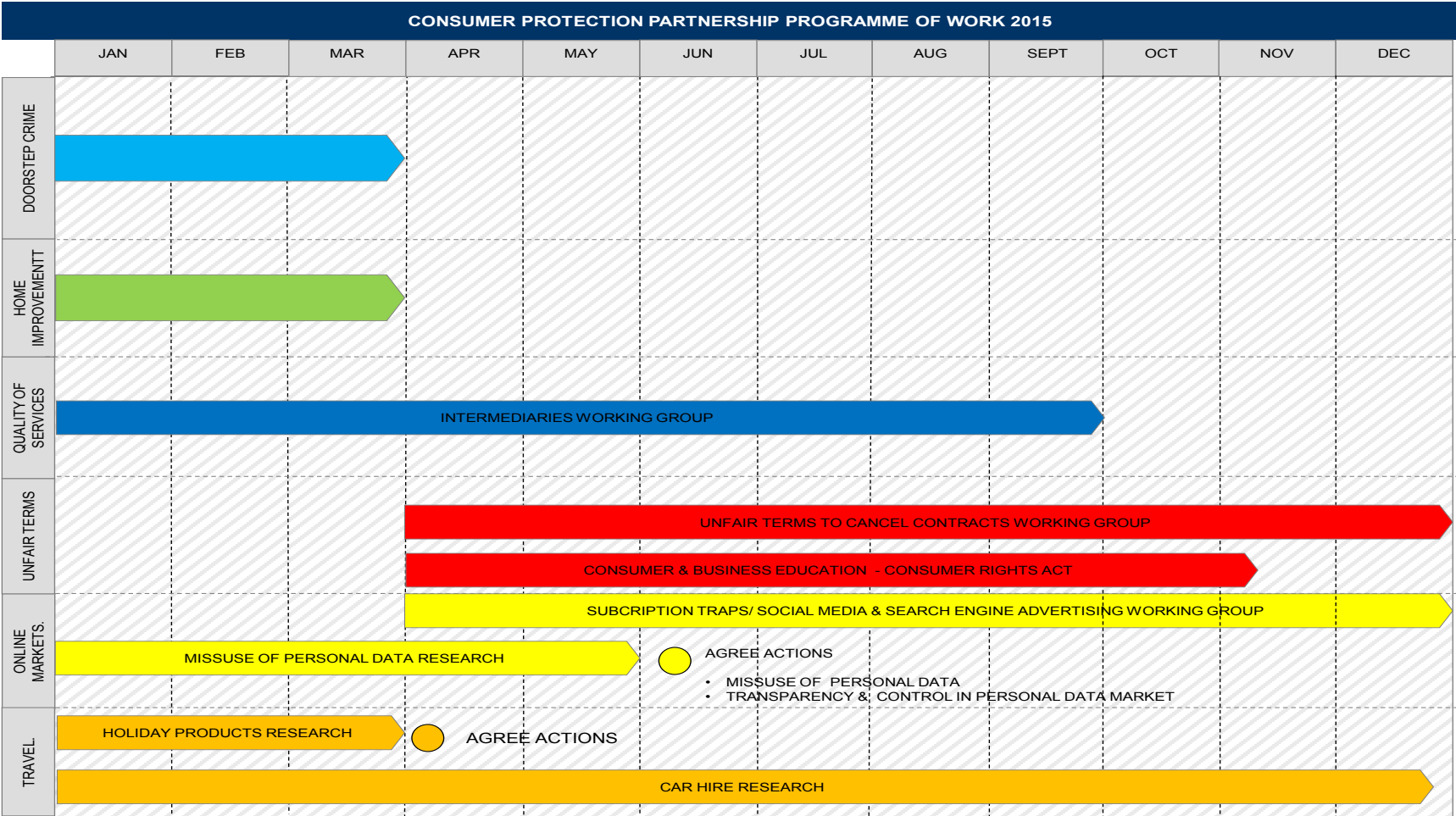
Quality of Services

- The Citizens Advice Service will lead a Working Group to address the harm caused by poor quality of service provided by some intermediaries. The Group will focus particularly on credit brokers, price comparison websites and fulfilment

houses. The group will start its work in January 2015 and will report back to the CPP by September 2015.

15. A programme of planned CPP work for 2015 is shown in Figure 1.

Figure 1: Programme of Planned CPP Work 2015



1. CPP Progress to date

- 1.1. This section of the report demonstrates the evolution of the CPP’s culture of collaborative working, and the benefits this has brought to consumer awareness campaigns since November 2013. It also highlights the growth of the Partnership’s intelligence capabilities and progress against the 2013-14 priorities.

A cultural change towards collaborative working

- 1.2. As the Public Accounts Committee noted, in the current economic climate, the protection of consumers is an increasingly important issue¹.
- 1.3. Prior to the Partnership’s creation in 2012, coordination and cooperation in tackling areas causing the most harm to consumers was limited. Whilst some partners liaised with other individual consumer protection organisations on a fairly regular basis, work was not effectively co-ordinated across the landscape to pool resources, avoid duplication, and make the most of a wide range of skills and knowledge from a range of experts.
- 1.4. Since the CPP has been established, members have steadily built solid relationships, gaining a better understanding of each other’s role in helping consumers, and the range of skills and expertise available across the landscape. The new collaborative culture has continued to grow and develop over the last twelve months. An internal review of Partnership culture during the summer of 2014, found individual Partners believe that the collective approach encouraged by the CPP now means they are more likely to work in areas of shared interest. Partners now consider the role others can play, and how they can contribute to improve outcomes for consumers.
- 1.5. Since the publication of our first Priorities Report in November 2013, supportive, collaborative approaches have been taken to not only CPP Working Group studies, but also consumer education events such as National Consumer Week 2013 and 2014 and Scams Awareness Month 2014. This has ensured that a combination of joined up, shared messages, and coordinated actions have helped consumers avoid the tricks used by scammers and doorstep criminals, and also to be able to buy used cars with confidence.
- 1.6. The following sections covering National Consumer Week and Scams Month demonstrate the positive results of this collaborative culture change. Here, vital consumer awareness messages aimed at helping and empowering often the most vulnerable consumers in society reached as wide an audience as possible through well planned, coordinated, and collaborative work between CPP Partners.

¹ [Public Accounts Committee “Protecting Consumers – The System for Enforcing Consumer Law”. P8.](#)

Awareness Raising Campaigns

National Consumer Week 2013

- 1.7. In November 2013 Citizens Advice and the Trading Standards Institute (TSI) led a joint awareness-raising campaign on the subject of Used Cars. The ‘Check it, don’t regret it’ campaign launched during TSI’s National Consumer Week and continued throughout November.
- 1.8. To complement the awareness raising work undertaken by Citizens Advice and the TSI, the National Trading Standards Board provided funding to regional Trading Standards groups to promote consumer and business advice. This included the production of a second hand cars mobile technology application, and a best practice toolkit aimed at reducing the amount of complaints in the used car sector. The CPP’s Communications Group launched a campaign to promote National Consumer Week, maximising the exposure of stakeholders to key messages.
- 1.9. During National Consumer week there was an increase of 525% on hits to Citizens Advice’s Adviceguide webpages on used cars. Over November this levelled to an increase of 50% on hits prior to the campaign. Figure 2 shows that this increase in hits has been sustained throughout 2014. By taking a coordinated approach CPP Partners reached many more consumers than they would have in isolation.

Figure 2: Comparative Citizens Advice webpage views

Page	July – Sept 2013	July – Sept 2014
“Buying a car”	68,729	119,285
“Problems with the car you bought”	89,723	132,686

- 1.10. National Consumer Week picked up significant interest media coverage receiving 107 pieces of media coverage throughout Great Britain.

Scams Awareness Month 2014

- 1.11. Scams Awareness month was held in May 2014, giving consumers the information, skills and confidence to spot and stop scams. Scammers strike through a wide-range of methods and adapt to all situations and as technology changes. The same channels that make our lives easier - the internet, smart phones, doorstep deliveries - also provide short cuts for scammers. During each week throughout the month, activities focussed on a different type of scam:

- Week 1 - **Online Scams**
- Week 2 - **Mail Scams**

- **Week 3 - Telephone Scams**

- **Week 4 - Doorstep Scams**

- 1.12. Prior to and during Scams Awareness Month, the CPP worked collaboratively to coordinate work to share messages, helping to steer consumers away from scams designed to part them from their money.
- 1.13. Strong partnership work was established at national level in the run up to the campaign. National campaign partners, in addition to the Trading Standards Institute and National Trading Standards Scams Team included: the National Crime Agency, Think Jessica, Action Fraud, Age UK, the British Bankers Association, the Financial Conduct Authority, and high-street banks/ building societies. The NTSB and FCA were also amongst Partners who provided educational blog entries during the month.
- 1.14. Scams Awareness Month successfully spread anti-scam messages and advice to a large number of consumers. Citizens Advice research shows that the campaign was picked up in 87 broadcast pieces with a potential circulation of 64 million people. This included 10 front of newspaper stories², and 6 broadcast interviews on BBC television and radio programmes and ITV Wales News, while Citizens Advice tweets reached up to 5 million internet viewers.

National Consumer Week 2014

- 1.15. National Consumer Week 2014 ran from 3rd to 7th November and focused on Doorstep Crime with the message “Good Neighbours Stop Rogue Traders”. Whilst past campaigns have often been directed at vulnerable people and their close relatives and friends, the aim of this year’s campaign was to encourage wider community involvement in helping to protect vulnerable residents from rogue traders. The campaign was launched at an event attended by the Consumer Minister, Jo Swinson and the message further endorsed via the launch of an on-line video – the winner of a competition that TSI had organised ahead of NCW.
- 1.16. At least 169,000 cases of doorstep crime are estimated to take place in England and Wales per year. Prior to National Consumer Week the Trading Standards Institute, National Trading Standards Board and Citizens Advice commissioned research to better understand the problem. The results of the research showed just how exposed some of our most vulnerable citizens could be. For example, almost half of British adults (46%) do not think their neighbourhood looks out for its vulnerable residents well enough, and two in five (39%) know someone who is at particular risk and would struggle to spot a doorstep criminal or handle them assertively.

² Citizens Advice define this as stories appearing near the front of newspaper as opposed to the middle or back.

- 1.17. Following the launch of National Consumer Week on 3rd November, each day had a different theme, aimed at helping vulnerable consumers avoid the pitfalls of Doorstep Crime.
- 4th November – **Enforcement**
 - 5th November – **Prevention**
 - 6th November – **Responsible Business**
 - 7th November – **Safeguarding Victims**
- 1.18. As part of the collaborative work, the TSI and Citizens Advice hosted local coffee and tea events with vulnerable residents and concerned community members throughout the week, highlighting the dangers of Doorstep Crime, and advising ways of spotting and reporting rogue traders.
- 1.19. A collaborative organisational and publicity campaign helped National Consumer Week's messages receive widespread media attention, including being picked up by ITV's Good Morning Britain, and Radio 5's breakfast programme, with a joint audience of over 1 million people. An article also appeared in the Daily Express, further spreading the campaigns messages to an additional 500,000 readers. National Consumer Week was additionally mentioned by the Daily Mirror, the Independent, Which? News, The i, and the London Evening Standard.
- 1.20. National Consumer Week also received substantial online coverage. From 3rd to 7th November the event received 2,892 mentions on social media. On 7th November Citizens Advice teamed up with Twitter UK to offer people the chance to receive live consumer advice. The session, #askCAB, had a reach of 3,018,015, while hashtag #stoproguetraders was tweeted 1682 times and made 5,671,418 impressions.

Strengthened Intelligence Capability

- 1.21. A key function of the CPP is to enable partners to share, compare and interpret intelligence to identify trends in current causes of detriment, and horizon scan to identify future issues that could adversely affect consumers.
- 1.22. The CPP consists of nine different partners, all of whom gather and hold a wide range of intelligence in a variety of formats. The Public Accounts Committee has noted how identifying the nature and prevalence of consumer problems can be hindered by the existence of different intelligence systems³. The CPP therefore faces a challenge to access and consider the range of relevant intelligence available in a simple and cost-effective way in order to help maximise impact across the consumer landscape.

³ [Public Accounts Committee" Protecting Consumers – The System for Enforcing Consumer Law". Page 8.](#)

- 1.23. In 2014 CPP Partners addressed this challenge by creating (and joint funding) a shared Knowledge Hub. The Hub enabled all partners to securely share and store key organisational intelligence. It is managed by a dedicated Intelligence expert who identifies and regularly reports back to the CPP on areas of potential, emerging, and established consumer detriment. Information collected and analysed through the Hub was used to develop the Partnership's first Strategic Assessment. This in turn informed its Priorities for 2015.
- 1.24. The CPP will continue to develop its intelligence capability in 2014/15. Its ambition is that the Hub will enable the CPP to establish a rolling programme of evidence and data sharing, allowing the Partnership the flexibility to respond to any new threats which may require immediate attention as they emerge.
- 1.25. The creation and utilisation of the Hub has already empowered the CPP to reassess its priorities according to emerging intelligence. In early 2014 the Knowledge Hub identified Problem Debt as a growing concern, leading to the CPP commissioning the CMA to conduct a review of the causes and impacts of the issue, to inform a decision on whether the current situation warranted collective action by the Partnership. The CMA's conclusions are outlined later in this section.

Working Group Updates

- 1.26. Since the CPP's first Priority Report was published in November 2013, the CPP has commissioned Working Groups to examine detriment caused by the following issues and report back with actions taken to address:
- Doorstep Crime
 - Home Repairs and Improvement
 - Mobile Phones and Technology
- 1.27. Since the publication of the last priorities report, the CPP has also continued and concluded earlier work to tackle detriment in the following areas:
- Mass Marketing Scams
 - Used Cars
- 1.28. The CPP's Working Groups utilise expertise from within each partner, and also outside the Partnership, to examine ways in which they can work together to analyse and address the problem. This facilitates the production of a coordinated, coherent response aimed at contributing towards a reduction in consumer detriment.
- 1.29. Participation in Working Groups enables partners, both individually and collectively to manage the interdependencies between consumer and business education, and enforcement. These Groups analyse how CPP partners can best can work

together to tackle detriment in a specific area and then deliver a programme of coordinated enforcement, information and education activity.

1.30. The following section contains highlights of the CCP’s Working Groups’ actions since November 2013.

Doorstep Crime

The issue

- 1.31. There was previously no widely accepted definition of doorstep crime, which makes the analysis of this crime area and the response to it more problematic. However, it often involves charging extortionate prices for goods or services, including charging for unnecessary goods or services, deliberately damaging property in order to obtain work, leaving work unfinished, substandard and poor quality work, claiming to have done work which has not been done, claiming work is required urgently, or persuading consumers to allow work to start during the statutory cooling off period and false statements being made about a variety of things including goods and services being required for specific reasons and membership of trade associations.
- 1.32. It is widely accepted that doorstep crime is targeted at older and / or vulnerable adults, and can include repeat offending over many months and years. This can involve elements of grooming and befriending, pressure and aggression.
- 1.33. The ageing population, including the associated health issues facing older adults such as dementia, and the issues of social isolation and loneliness, is increasing opportunities for offenders. An unfortunate consequence of independence strategies aiming to keep older adults in their own homes for longer is that they can also provide greater opportunities for offenders to access the vulnerable.
- 1.34. There are currently around 16,900 reports relating to doorstep crime made to trading standards annually. However, the evidence suggests that reporting rates of such crimes is very low for a wide variety of reasons, some of which are related to the vulnerability of the victims and their perceived ability to look after themselves and remain in their homes. Trading Standards Officers engaged in this work estimate reporting rates to be as low as 10% which means that the actual number of doorstep crime incidents could be as high as 169,000⁴.
- 1.35. Examination of a sample of reports shows that average amount of consumer detriment per incident is around £1,000⁵. This was an estimate based on research carried out as part of the NTS Doorstep Crime Project. This figure was based on the information available but it is accepted that this is a very approximate value and further work is taking place in 2014-5 to further refine this figure. A further 1,000 incidents are reported annually to the National Fraud Intelligence Bureau

⁴ Based on NTSB research on doorstep crime reporting rates.

⁵ From analysis of doorstep crime incidents in North Yorkshire between April and December 2013

(NFIB) with an average consumer detriment of £4,650, equating to a further £4.65m of consumer detriment. Unknown quantities of further reports are made to Police forces and not passed on to Action Fraud and NFIB, or to trading standards.

1.36. There are various reasons for the low reporting rates for Doorstep Crime. These include:

- Fear of repercussions from offenders, fear of the criminal justice system / process, and fear of loss of independence.
- Lack of mental capacity.
- Not understanding / accepting they are a victim.
- Social isolation and loneliness.
- Embarrassment / self-blame.
- Considering it is inappropriate to report.
- Believing it is futile to report.
- Not knowing who to report to.
- Generational issues.
- Wanting to ignore the incident or forget about it.

CPP response

1.37. The CPP commissioned a Working Group, led by the NTSB, to produce a programme of joint activity that will support victims whilst targeting criminals involved in doorstep crime.

1.38. For the purposes of the CPP's study, doorstep crime was defined as:

“Criminals cold-calling at the homes of consumers, most commonly older adults and / or vulnerable consumers, offering to carry out property repairs such as roofing, tarmac work, block paving, fascia and soffit installation and gardening work, or to sell products such as fish, furniture, mobility aids, security systems and energy saving products.”

1.39. The NTSB is leading work with regulatory, educational and third party partners to produce a programme of joint activity that will target the perpetrators and support the victims of doorstep crime. The Working Group has set out a strategy and activity plan for 2014/15. The Group's activities also fed into **National Consumer Week 2014**, which was dedicated to Doorstep Crime with the theme “Good Neighbours Stop Rogue Traders”.

1.40. The Doorstep Crime Group has chosen to focus on a number of potential areas of work related to where it believes the biggest impact can be made. The CPP is therefore currently taking forward work to:

- Provide advice education and support to consumers including victims of doorstep crime
- Develop intelligence, gaining a clearer picture of the impact and incidence of doorstep crime
- Identify and tackle the most serious perpetrators of Doorstep Crime with a programme of targeted and appropriately coordinated enforcement
- Identify and encourage good practice, providing help and support to partners
- Carry out targeted academic research to help inform future decisions and action
- Improve the levels of safeguarding for potential victims

1.41. In addition, to feed into National Consumer Week 2014, a Doorstep Crime Conference was held on 6th October. Attendees were invited from agencies and other organisations that can help in the fight against doorstep crime. This included the financial sector, third sector and care sector, all of whom have an important role to play in helping to tackle doorstep crime.

1.42. The event aimed at increasing stakeholders understanding of:

- What is currently known about doorstep crime, including who the victims are, the impact on them, and factors which may have contributed to their victimisation, such as loneliness and isolation.
- What work is currently being carried out by the trading standards profession in relation to doorstep crime, including some case studies of prosecutions.
- How the financial sector can assist in the protection of vulnerable customers.
- The role of communities and those working within them in helping to prevent doorstep crime and safeguard victims.
- A summary of the plans for National Consumer Week and how stakeholders could become involved.

1.43. Approximately 90 people attended the Conference which received some very encouraging feedback. 96% of attendees who responded to a post-conference survey felt that their organisations could now do more to help tackle offenders, safeguard victims, or prevent doorstep crime. 81% of respondents intended to take part in National Consumer Week, while 92% wished to receive regular updates via a Doorstep Crime Project newsletter.

Home Repairs and Improvement

The issue

- 1.44. Building repairs and improvements generate a consistently high number of consumer complaints. Citizens Advice quarter one statistics for 2014/15 show that, following second hand vehicles, building repairs and improvements were the most commonly reported problem to the advice service with 14,535 enquiries. This represents an increase of 9 % compared to the same quarter in 2012/13.
- 1.45. The then OFT's Home Repairs and Improvement Report (June 2011, developed in partnership with Citizens Advice, Trading Standards Services, and a number of other organisations) found that in the year to April 2011, the Consumer Direct helpline received some 70,000 consumer complaints about general home improvements, maintenance and repairs. In addition it found that when service levels fall below standard, the financial detriment, distress and inconvenience caused can be significant. It also found that one in five consumers initiating repairs and maintenance reported having experienced a problem with the work. These problems mainly related to delays, poor quality of work and use of sub-standard materials.
- 1.46. The OFT's Consumer Detriment Study 2008 found that when a consumer experiences a problem in this market, the average financial loss suffered is £533.
- 1.47. In addition while there are a wide range of 'accreditation' and 'approved trader' schemes that offer varying levels of protection and access to redress, there is currently no clear way for consumers being able to distinguish the quality of such schemes and thereby making informed choices.

CPP response

- 1.48. The CPP has commissioned a study to identify interventions that will have the greatest impact in reducing consumer detriment in the home improvement and repair industry. The results and recommendations are expected by late 2014/ early 2015. The Partnership will then agree and coordinate collective action to tackle harm within the sector, using all available tools at the disposal of relevant CPP members.
- 1.49. As part of the study, the TSI, which is leading the CPP's work on Home Improvement, commissioned the National Social Marketing Centre to carry out formative research into why disputes often occur in this sector, consumer expectations, consumer understanding and knowledge when issues arise, supplier perceptions, and whether there are particular types of jobs that are more likely to be disputed.
- 1.50. A review of the landscape for approved trader schemes has been also been completed. In autumn 2014 the TSI hosted a roundtable of 'trading standards approved' trader schemes to discuss the future shape of such schemes. It is currently developing a draft plan for an umbrella scheme, so that partners that met minimum criteria could enjoy a single mark of quality, thus providing greater assurance to consumers. Several leading schemes have indicated a willingness in principle to be part of such a scheme.

- 1.51. The CPP will discuss the findings of work to date, identify recommendations, and put forward a schedule of action in early 2015.

Mass Marketing Scams

The issue

- 1.52. The Office of Fair Trading defined mass marketing scams as 'misleading or deceptive business practices where the person receives an unsolicited or uninvited contact, for example by letter, email, phone or advertisement, and false promises are made to con the victim out of money'.
- 1.53. The National Trading Standards Board's Strategic Assessment 2013 identifies scams as a current threat and a priority area for action. The assessment confirms that the volume of intelligence submissions relating to scams has increased over the last three years and the trend is forecast to continue.
- 1.54. Mass Marketing Scams account for a substantial and serious level of fraud. The latest Fraud Authority's Annual Fraud Indicator reported that individuals lose £9.1bn to fraud per annum, of which £3.5bn relates to mass marketing scams⁶.
- 1.55. Well-known scams include lottery mailings, PPI, investments, false competition wins, prize draws and phishing. Economic pressures have provided new opportunities for scammers, for example high quantity food sales, council tax refunds / discounts, offers of phoney jobs, training scams and debt scams. There are also emerging Green Deal, welfare advice related, and cash voucher scams. Scams are often targeted specifically at vulnerable or disadvantaged consumers, such as the elderly, the socially isolated or people already in debt. There can be considerable emotional as well as financial impact on victims. Scams targeting small and medium enterprises (SME) has also been identified as a current risk.

CPP response

- 1.56. Led by the Convention of Scottish Local Authorities, the CPP's Mass Marketing Scams Working Group's primary purpose was to develop a strategy to make the greatest impact in tackling mass marketing scams. In doing so, the CPP utilised expertise from both within and outside the Partnership, including the NTSB's National Scams Team, Royal Mail, and Action Fraud to produce a holistic and joined up approach to tackling scammers.
- 1.57. In August 2014, it was agreed that the initial aim and purpose of the group had been met through the launch of a revised action plan. In coming together, where there was previously uncertainty, members of the group have gained an important understanding of the different roles partners play in tackling mass marketing scams. Valuable contacts have been made and sound relationships forged. The group will continue to meet on an informal basis, monitoring progress and sharing example of best practice, reporting points of significance to the CPP.

⁶ [National Fraud Authority "Annual Fraud Indicator 2013"](#)

1.58. The Mass Marketing Scams Action Plan is included in this report as [Annex D](#). A number of actions have already progressed, which are summarised below:

- Training to help postal staff spot and report suspect post is being rolled out across the country by trading standards officers. This collaboration with Royal Mail aims to ultimately cancel the contracts of companies that send out mass marketing scams.
- The Scams Team have facilitated the distribution of names identified on ‘suckers lists’ to the relevant local authorities, working closely with COSLA where names have been identified in Scotland. Local authorities are encouraged to make an intervention to warn victims that they are being targeted by criminals
- COSLA, the Scams Team and Action Fraud are working together to drive forward the shared definitions work that will seek to harmonise the understanding of terminology amongst partners; and
- Action Fraud are currently reviewing their online reporting mechanisms with a view to making these more streamlined.

1.59. A recent success in efforts to help individuals break the cycle of falling victim to mass marketing scams received widespread media attention, when Trading Standards officers intervened to help a lady who was scammed out of £200,000 over 56 years.

1.60. Scammers will always seek to stay one step ahead, and realistically it will never be possible to eliminate mass marketing scams entirely. However due to the work of the CPP work has already began to both disrupt more scams, and stop vulnerable consumers falling prey to them in the first place than had previously been possible.

Used Cars

The issue

1.61. According to British Car Auction’s The Used Car Market Report 2013, in 2012 there were 30.5 million cars’ in circulation in the UK. It is a high volume, high value and high risk industry. Consumers are buying a complex product often with little or no technical knowledge of how it works.

1.62. The NTSB’s Strategic Assessment 2013 identifies the “used cars” sector as the main area of concern under their “Fair Trading” category, while the OFT’s Strategic Assessment of Risks to UK Consumers and Markets (Nov 2012) highlights the sector as a current risk⁷.

1.63. Over the period April 2012 to March 2013, Citizens Advice Partner Portal records between 12,000 and 14,000 contacts for each quarter under the category ‘Used

⁷ [OFT “Strategic Assessment of Risks to UK Consumers and Markets” 2012. P40-41](#)

cars purchased from an independent dealer'. In terms of complaint volumes, the sector is consistently the top issue raised by consumers to the Citizens Advice Consumer Service. Between April and September 2013 the Service received 29,049 contacts regarding this issue, 20,773 more than the second most reported issue.

- 1.64. A survey by the Automobile Association (AA), for the period February 2013 to February 2014, of 22,000 AA members into consumer experience of buying a used car found that 65% of the respondents that had bought a car in the last 3 years reportedly described it as a 'completely trouble free experience'. It was reported that 22% of respondents who had bought a car in the last three years had a minor fault with the vehicle that was fixed by the seller without hassle. 3% of buyers reported a major fault with the vehicle that was fixed by the seller without hassle.
- 1.65. However, notwithstanding the high levels of satisfaction, just 46% of respondents to the survey said that they would recommend the dealer they used to others. 7% of respondents who had bought a car in the last three years were reported to have a minor fault where the seller was unhelpful, and 3% reported to have discovered history about the vehicle that would have stopped them buying it if they had known previously. In a relatively small number of cases, 0.25%, the buyer reportedly discovered that the car had been clocked.
- 1.66. The CPP has concluded that the major challenge in this sector is to encourage consumers to be aware of the risks and potential pitfalls.

CPP response

- 1.67. Building on the momentum the CPP had created through National Consumer Week in November last year Jo Swinson, the Minister for Consumer Affairs, established a Used Car Commission.
- 1.68. The Commission was tasked with examining the root causes of consumer complaints in the used cars sector and considering what steps can be taken to reduce consumer detriment.
- 1.69. The project was led by the TSI with input from Which?, representatives from Trading Standards Services, CMA and representatives from the motor industry and Police. The Commission worked throughout the first half of 2014, making full use of the level of expertise available, to propose measures to strengthen the level of protection available second hand car buyers and owners. During this process valuable relationships were built between interested parties within and outside the CPP. These will be maintained and built upon moving forward to secure the best deal for consumers.
- 1.70. The Commission submitted its report and recommendations to Jo Swinson in autumn 2014. The Minister endorsed the Commission's recommendations, which included proposals for:

- Closer cooperation between the Police and Trading Standards to target organised criminals who steal vehicles for export, clone them or break them up for parts.
- The development of a minimum set of requirements for used car codes and trader approval schemes to ensure consumers are better protected and improve customer services.
- Improved information gathering on used cars - so current and emerging issues can be quickly identified and acted on by the CPP.

1.71. The work will be taken forward by the Commission with assistance from CPP members alongside experts from outside the Partnership in January 2015. Full copies of the Commission's recommendations and the Minister for Consumer Affairs' response are provided in [Annex E](#).

Other CPP work

1.72. Since November 2013, in addition to the continued growth of added value collaboration, and the efforts of CPP working groups to tackle consumer detriment, CPP Partners have undertaken further activities to tackle detriment and ensure a better deal for consumers.

E-crime capability

1.73. In the Priorities Report 2013-14 e-crime was identified as an area where capability should be developed to add value across the consumer landscape. Since then the NTSB's e-crime unit has continued to grow as a valuable asset in the fight against online crime.

1.74. In June 2014 the National Trading Standards E-crime Team took action against misleading websites which imitate official Government websites, often charging excessive fees for services which can be accessed either for free or at much lower cost through official channels. In June 2014 four search warrants were executed on properties in England leading to the arrest of five individuals and the closure of at least 25 misleading websites. Legal proceedings are ongoing.

1.75. Alongside enforcement action, the NTS E-crime team has issued advice for consumers in the form of an infographic and [video](#), to help them avoid cyber con-artists. The CPP recommends that the best place to access government information and services is through [GOV.UK](#).

Problem debt

1.76. Debt affects millions of people. Household debt stands at over £1.4 trillion and the debt-to-income ratio is forecast to increase significantly in the coming years, nearing pre-financial crisis levels by 2019⁸⁹. Problem debt is an

⁸ Bank of England (July 2014) [Statistical Release](#)

important issue for consumers, and with this in mind the CPP commissioned the CMA to review how problem debt affects consumers' decisions and choices in the goods and services that they purchase. The CMA were also asked to advise whether the various UK consumer protection bodies should take additional action in this concerning area of consumer detriment.

1.77. The CMA's study had two objectives:

- To examine the problem debt landscape with a cross-market view, bringing their own perspective to a well-studied area
- To support the new consumer landscape by working with the Consumer Protection Partnership (CPP) and other consumer partners who are active in this area to assess if more could be done – individually or collectively – to tackle any significant consumer protection issues which were not being addressed effectively

1.78. The CMA's [Problem Debt Report](#) was published on 10th October 2014. It highlighted four key areas central to tackling problem debt effectively:

- **Supporting financial capability:** Consumers need the skills to manage their finances and make sound financial decisions
- **Providing early debt advice:** Consumers who seek debt advice at an early stage are more likely to resolve their problems.
- **Undertaking further consumer behaviour research:** Understanding consumer behaviours and decision-making may help regulators and debt advisors further to identify and assist consumers who are at particular risk of falling into financial difficulty.
- **Pursuing enforcement and compliance:** Effective enforcement and supervision helps to drive compliance.

1.79. The report concluded that there are many organisations committing considerable resources to activities in these four areas, both within and outside the CPP. Although the CMA's report did not identify any significant consumer protection issues which the CPP needs to address immediately, the CPP has committed to keep matters related to problem debt under review.

1.80. The CMA intends to consider practices or markets that may generate particular problems for consumers with low incomes. This includes '**poverty premium**', a problem noted by the CPP in 2013, where consumers on the lowest incomes pay more per unit for goods and services than more affluent consumers.

⁹ See [Budget 2014 – Treasury](#), paragraph 37

Mobile phones and technology

- 1.81. Following on from the inclusion of mobile phones and technology as a priority for 2013/14, the CPP approached OFCOM in order to better understand work being undertaken in the area.
- 1.82. At the time of the CPP's approach OFCOM were in the process of compiling a harms matrix, mapping all areas of potential and actual consumer harm in the mobile phones sector, including mapping who is doing what to address these areas of concern.
- 1.83. This work was completed in the summer of 2014. After careful analysis of the matrix, the CPP noted extensive work already initiated by both regulators and other interested stakeholders. This led to the conclusion that there are currently no gaps in this area of consumer protection where the CPP could usefully add value by taking collective action.

The Green Deal - Targeted Advocacy

- 1.84. In its Priorities Report 2013, the CPP recognised it could potentially play a greater role in highlighting to Whitehall and the administrations in Scotland, Wales and Northern Ireland potential impacts of new policy and legislative proposals, influencing the development of policy/legislation where there are perceived 'gaps'.
- 1.85. With this in mind the Partnership concluded its work on the Green Deal (which was initiated in 2013) by writing to the Department for Energy and Climate Change (DECC), highlighting areas where evidence suggested significant detriment was either occurring or likely to occur. The CPP had previously identified risks of consumer detriment in relation to the Green Deal and advised DECC on how they could mitigate these risks. This ensured that consumer protection issues were taken into account in proposed amendments to legislation, the Green Deal Code of Practice, and other scheme documentation. It was additionally noted that emerging Green Deal related scams are a particular issue in Wales. Trading Standards therefore worked with DECC in Wales to carry out some high profile enforcement action. CPP members also worked with DECC to improve messaging on the Green Deal and Energy Company Obligation and reduce the opportunities for consumers to be taken in by scams.
- 1.86. The most significant issues highlighted to DECC, in terms of both extent and severity, related to rogue traders. Typically these are organisations operating outside the Green Deal framework and using cold-calling, often targeting the elderly and vulnerable.
- 1.87. The CPP also advised DECC that areas where there is evidence of consumer detriment or potential consumer detriment were:
 - Consumer confusion regarding the nature of the Green Deal and between the Green Deal and Energy Company Obligation;
 - Technical quality of assessments; and

- Limited portability of assessments and other barriers to shopping around.
- 1.88. The CPP has also highlighted potential consumer protection risks related to later stages of Green Deal plans, such as billing, transfer of debt, and early repayment.
- 1.89. CPP partners have continued to work with DECC on this issue and there has been increased acknowledgement by DECC the importance of tackling rogue traders. In late 2014 DECC hosted a workshop on the Green Deal, particularly focusing on consumer awareness but also better coordination.
- 1.90. These have been ongoing themes of CPP partners engagement with DECC. The workshop was attended by the CMA, Trading Standards, Citizens Advice, and the Financial Conduct Authority among other stakeholders. Following the workshop, the Green Deal Oversight and Registration Body began work to draw up an action plan to tackle detriment, and the CCP keenly await its completion.

2. CPP Priorities for 2015

- 2.1. This section explains the methodology behind the Priority setting process, outlines the problems caused by the issues named as priorities for 2015, and sets out the CPP's intended course of action to address them.

Methodology of priority setting

- 2.2. The CPP's Knowledge Hub has drawn on its ability to store and link key organisational intelligence, with information collected and analysed through the Hub used to develop the Partnership's first Strategic Assessment. This in turn informed its Priorities for 2015. The Strategic Assessment was produced in accordance with the methodology of the National Intelligence Model¹⁰, to identify the areas causing the most serious consumer detriment across the UK. In doing so risk assessments of issues were conducted, including analysis of data from CPP members and others, as well as consideration of context such as demographics.
- 2.3. A large number of potential priorities were evaluated against the criteria agreed by the CPP Strategic Group:
- Significant causes of consumer detriment (as previously defined by the CPP), either to the specific individuals they affect or cumulatively across the population
 - Of importance to and represented within the priorities of two or more CPP members
 - Most effectively tackled through coordinated and collaborative action by the CPP involving interventions across the consumer regime
- 2.4. Information, evidence and intelligence was collected from all CPP Partners via a comprehensive questionnaire. A Working Group made up of intelligence experts from across the partnership then interrogated this evidence and agreed a set of twelve themes causing the most detriment across the UK.
- Misleading Claims and Omissions
 - Consumer Safety

¹⁰ In 1999 the National Criminal Intelligence Service (NCIS) created the NIM which is based upon the "collective wisdom and best practice" nationally and internationally. The NIM has its roots in criminal intelligence but it is a business process model with certain key elements. It facilitates the organisation of knowledge, informs resource allocation, co-ordinates activity and allows lessons to be learnt from that activity.

- Pricing Practices
- E-Commerce/ Online Markets
- Quality of Service
- Energy
- Unfair Terms and Omissions
- Transport
- Building Repairs and Improvements
- Travel
- Credit and Debt
- Unregulated Markets

Consumer Protection Partnership Themes and Issues	Consumer Protection Partnership Themes and Issues
<p>Theme: Misleading Claims and Omissions</p> <p>Second hand vehicles</p> <p>Professional services</p> <p>Home maintenance</p>	<p>Theme: Consumer Safety</p> <p>Product safety</p> <p>Food fraud</p> <p>Animal health</p>
<p>Theme: Pricing Practices</p> <p>Reference prices</p> <p>Estate agents</p> <p>Surcharges</p>	<p>Theme: E-Commerce / Online Markets</p> <p>Online age verification</p> <p>Sale of counterfeit and unsafe goods</p> <p>Price comparison services</p> <p>Digital exclusion</p>

<p>Theme: Quality of Services</p> <p>Residential property management services Private rented sector UK retailers response to defective product repairs Role of third party intermediaries Treatment of vulnerable consumers</p>	<p>Theme: Energy</p> <p>Cost of energy Switching process Green Deal</p>
<p>Theme: Unfair Terms and Conditions</p> <p>Contracts Continuous payment authorities Mobile phones Higher education Double charging</p>	<p>Theme: Transport</p> <p>Second hand vehicles Car parking Car rental</p>
<p>Theme: Building Repairs and Improvements</p> <p>Delays, poor quality of work and sub-standard materials Trader Schemes</p>	<p>Theme: Travel</p> <p>Passenger rights - Air travel; Trains Package holidays Timeshares</p>
<p>Theme: Credit & Debt</p> <p>Problem Debt</p>	<p>Theme: Unregulated Markets</p> <p>Paralegals Non-pharmaceutical Heat networks Doorstep crime Illegal money lending Mass marketing scams</p>

CPP Priorities for 2015

- 2.6. The CPP believes that in order to be effective its work must be focussed and proposed outcomes realistic. For this reason it will concentrate its work on a carefully selected and limited number of areas where it can make the greatest difference through collaborative work.
- 2.7. Based on careful evaluation of the evidence available against the three criteria for action, the Consumer Protection Partnership's Priorities for 2015 will be:
- **Online Markets** - Subscription Traps / Use of Personal Data / Adverts on Social Media and Search Engines
 - **Unfair Terms and Conditions** - Unfair cancellation terms in contracts / Consumer Rights at Retail Level
 - **Travel** - Car hire / Holiday Products
 - **Quality of Services** – Intermediaries

2015 Work Plan

- 2.8. This section explains the harm caused by each of the new priority issues, and what action the Partnership intends to take to tackle or better understand the problem. It also includes a schedule of planned work for 2015.
- 2.9. Detriment caused by the issues categorised under “watching brief” is explained separately in [Section 1](#).

Online Markets

The Issue

Subscriptions Traps

- 2.10. Subscription traps are usually delivered by way of a pop-up window or banner advertisement on a web site that is designed to entice consumers into signing up for an apparently low cost or free trial of a product (Raspberry Ketone is a common example). What consumers do not realise is that they have signed up to a costly and recurring monthly payment. This is not confined to physical products and has recently been a new feature of so-called ‘copycat’ websites. Consumers are drawn in by what appears to be a low fee (sometimes as little as £1) for help in application processes, and do not realise that they have inadvertently signed up to a costly monthly newsletter for a recurring fee.

Planned CPP response

- 2.11. After careful analysis of all available evidence, the CPP decided that Online Markets meets the criteria to become a Priority. The CPP will commission a Working Group on the issue with particular focus on subscription traps. It will:

- Scope out the work already being done to tackle this issue across the Partnership,
 - Identify any gaps requiring a response during 2015.
- 2.12. The Group will also undertake research into the impact of search engine and social media adverts and use the Non-Pharmaceutical health products sector as a case study.

Use of Personal Data

- 2.13. Consumers increasingly create personal data both online and offline, by signing up to services, making transactions and searching. It is not clear whether consumers understand how the personal data market works, how their data is captured and used, and by whom.

Planned CPP response

- 2.14. CPP Partners with an interest in the use of personal data will coordinate planned research and activity to identifying any specific problems that require a CPP response during 2015-16. The Consumer Protection Partnership will then undertake awareness raising activity around the use of personal data.

Adverts on Social Media and Search Engines

- 2.15. The use of paid for advertising to promote products and services on search engines is not a new occurrence. Recent work in relation to ‘copycat’ websites has highlighted that this could be a much wider problem than first envisaged. Adding this to the fact that surveys show over 41% of consumers cannot distinguish between a natural search result and a paid for advertisement¹¹, it is clear there are significant opportunities for scammers to use adverts to encourage consumers onto their sites.
- 2.16. It is expected that there will be a rise in abuse of social media advertising, mirroring the misuse of search engine advertisements seen in the ‘copycat’ website problem. For example, the misuse of Facebook advertising poses a significant threat taking into account the fact that Facebook’s user base is even larger than Google’s and their users give Facebook large amounts personal data which means Facebook adverts can be very efficiently targeted, reaching a wide range of consumers.

Planned CPP response

- 2.17. The CPP is concerned at the potential detriment caused by this form of online advertising. In order to fully understand the depth of the problem, and level of detriment caused, it will commission research to identify the main problems, and whether there is a role for the CPP in addressing them to ensure fewer consumers are harmed by any misleading or intrusive practices.

¹¹ <http://www.bunnyfoot.com/blog/2013/02/40-of-customers-dont-know-that-google-adwords-are-adverts/>

Unfair Contract Terms

The Issue

Unfair cancellation terms in contracts

- 2.18. Consumers can face onerous terms when cancelling contracts including, but not limited to, long cancellation periods or significant fees. Fees may be arbitrary and not based upon actual losses/costs. Problems have been identified across a number of sectors, including holidays, tickets, gyms and training courses, as well as internet and mobile phones. CMA guidance states that consumers should be allowed to leave a contract without penalty if there is an increase in subscription price.
- 2.19. In 2010 an OFT Consumer Contracts Study found that prices within and across such contracts can be difficult to evaluate¹². As contract periods can be lengthy, opportunities for consumer control (altering or switching contracts) are important. The study found onerous cancellation requirements such as long notice periods and excessive cancellation fees.

Planned CPP response

- 2.20. After careful analysis of all available evidence, the CPP decided that Unfair Terms and Conditions meet the criteria to become a CPP Priority. The CPP will commission a Working Group to map the consumer journey for unfair cancellation terms in contracts. The Group will:
- Assess where, when and how detriment occurs, and;
 - Identify any specific problems that require a response and coordinate CPP action aimed at reducing the problems encountered by consumers from unfair cancellation terms in contracts.

Consumer Rights at retail level

- 2.21. A [Consumer Engagement and Detriment Survey](#) by the Department for Business, Innovation & Skills published in June 2014 found 82% of UK consumers feel well protected by consumer law, but many are not aware of their actual rights. Most consumers know they have the right to return a product bought phone, post or over the internet four days after it is delivered (70%), but 67% do not know they can have a broken down fridge repaired or replaced for free up to 18 months after purchase even if they do not have an extended guarantee.
- 2.22. Awareness that the advertised price of airline flights must include all taxes fees and charges was lower, with only two fifths of consumers (43%) giving the correct

¹² <http://webarchive.nationalarchives.gov.uk/20140402142426/http://www.of.gov.uk/OFTwork/markets-work/consumer-contracts#named1>

response. A similar proportion (45%) of consumers recognised that a supplier of a faulty appliance has the chance to fix the problem before providing a refund.¹³

- 2.23. The introduction of the Consumer Rights Bill will make changes to the consumer landscape and protection. There is potential for changes in legislation for consumers to be unclear about their rights.
- 2.24. The UK European Consumer Centre (UK ECC) identified UK retailers as being the least likely in EU to correctly identify the length of period during which a consumer can have a defective product repaired.
- 2.25. A TSI survey identified excluding right to reject, restricting returns and excluding Sales of Goods Act rights to be issues in this area, as well as instances where consumers purchase additional protection that replicates their consumer rights.

Planned CPP response

- 2.26. The CPP will ensure that key messages on enhanced consumer rights are publicised through awareness raising activities prior to the Consumer Rights Act coming into force in October 2015. This will ensure that consumers and businesses are aware of changes to the law, and how this affects them at retail level.

Travel

The Issue

- 2.27. The UK European Consumer Centre (UK ECC) offers advice and mediation assistance to consumers who are in disputes with various types of traders based in the other countries covered by the European Consumer Centre Network (ECC-Net). This includes complaints arising as a result of different kinds of problems with travel-related issues and can be related to travelling to the destination as well as services) provided once the consumers get there. The UK ECC has historically received significant numbers of complaints related to timeshares and holiday products. In the travel sector, the UK ECC mostly handles complaints coming from UK-based consumers made against traders based or operating in popular holiday destination countries such as Spain and Malta.
- 2.28. Two areas have been identified as causing particular concern in this area:

Holiday Products

- 2.29. Complaints concerning the holiday product sector have consistently constituted a significant proportion of complaints UK ECC has been receiving from the UK consumers over the years.

¹³ [BIS Consumer Detriment Survey \(2014\)](#)

- 2.30. Issues identified within the travel sector include holiday products such as timeshares and holiday clubs. Complaints commonly based around:
- The selling process
 - Contracts
 - Non-adherence to legal requirements
 - Products devised to avoid regulations
 - Civil breaches of availability of services purchased
 - Problems owners face when they no longer wish to keep their timeshare and want to exit from contracts.

2.31. Timeshares are considered to be an emerging threat by the ECC with this area generating the most complaints during 2013. There are loopholes in the recent timeshare legislation which are being exploited by unscrupulous companies. Timeshare issues, particularly attempts to avoid the current legislation are of interest to the ECC. They take an active part in both the EU Commission's review of legislation, and in the ECC Networks joint project on Timeshare which aims to educate consumers, assisting them in avoiding problems. The OFT/CMA (for BIS) has looked at the legal issues concerning timeshares disposal.

Planned CPP response

2.32. The CPP will undertake further research to better understand the extent of consumer detriment in the holiday club / timeshare sector, and identify any specific problems that require a CPP response during 2015. It is intended that CPP research will link up to relevant work being undertaken by the European Commission in this area.

Car Hire

2.33. Issues around car hire have also been raised from cases handled by the ECC-Net. Common problems arising are:

- Disputed damage charges
- Non-damage related supplementary charges,
- Service quality issues
- Vehicle condition and accessories.

2.34. The CMA is also currently working with key stakeholders to identify the main issues that appear to be affecting consumers when hiring a car and how to address them, as part of an EU Consumer Protection Co-operation Regulation

project. The CPP will take account of the outcome of this project to feed into its own research programme.

Planned CPP response

2.35. After careful analysis of available evidence, the CPP decided that Car Hire meets the criteria to become a CPP Priority. Before beginning work, the CPP will take account of the outcome of the EU Consumer Protection Co-operation Regulation project on car hire, and consider whether a CPP response is required to follow up on this work.

Quality of Services

Intermediaries

2.36. There are a growing number of third party intermediaries, including switching websites, brokers and energy efficiency advice providers who help or purport to help consumers get a good deal in financial and essential services.

2.37. In order to get the best deal, consumers may have to supply data about their previous use of services and there may be no guarantee that this data will be used responsibly. This can deter people from using these services.

2.38. Whilst it is acknowledged that many of these intermediaries provide a good service to consumers, evidence arising from Citizens Advice suggests that others appear to be taking to be taking advantage of consumers through practices such as:

- Charging unexpected fees or higher fees than agreed
- Portraying themselves as lenders rather than brokers
- Passing on personal details to third parties
- Charging for partially completed applications
- Obfuscating/ delaying refund requests

Planned CPP response

2.39. Careful analysis of available evidence shows that Misleading Claims and Omissions meets the criteria to become a CPP Priority. The CPP will commission a Working Group on the issue to undertake further research to identify:

- The role of intermediaries in problem sectors (including non-pharmaceutical products)
- The means by which consumers gain access to these sectors
- How CPP can best address these issues

Timetable of Scheduled Work

2.40. The CPP will address its priority issues for 2015 via a number of different means to ensure that proportionate targeted action is taken based on analysis of a comprehensive evidence base.

2.41. The CPP has commissioned Working Groups to tackle detriment in the following areas:

<i>Priority</i>	<i>Detail</i>	<i>Lead</i>	<i>To commence</i>
Online Markets	Subscription traps/adverts on social media and search engines	NTSB	April 2015
Unfair Terms and Conditions	Unfair cancellation terms in contracts	CMA	April 2015
Quality of Services	Intermediaries	CitA	January 2015

2.42. The CPP Communications Group will take forward awareness raising activities on:

- **Unfair Terms and Conditions** - Consumer rights at retail level as part of supporting the implementation of the Consumer Rights Act, which will come into force on 1st October 2015.

2.43. The CPP improve its understanding of detriment in the following areas by undertaking research on:

- **Travel** - Car hire / holiday products (led by CMA and TSI), reporting back to the CPP by the end of 2015 (car hire), and April 2015 (holiday products)
- **Online Markets** - Search engine adverts (led by NTSB), reporting back to the CPP by December 2015
- **Online Markets** - Use of personal data (led by Citizens Advice and the CMA), reporting back to the CPP by June 2015

2.44. The CPP will maintain a watching brief on the following 2014 priorities into 2015, commissioning additional work where appropriate:

- **Used Cars** – monitoring the response to the Used Car Commission (led by TSI)
- **Problem Debt** - keeping matters in relation to problem debt under review (Knowledge Hub assisted by CMA)

- **Home Improvement** - outcomes of TSI research (led by TSI)
- **Mass Marketing Scams** - monitoring progress against the action plan (led by COSLA)

Further Opportunities for 2015

Evaluating the Impact of the CPP's work

- 2.45. Section 1 of the Report has demonstrated the substantial suite of work undertaken by the CPP to reduce detriment in the areas that are causing consumers the most harm. Collaborative campaign work such as National Consumer Week and Scams Awareness Month have done much to warn consumers of the perils of doorstep crime and other dangers, while the Partnership's working groups have produced a variety of strategies to tackle Mass Marketing Scams, issues within the used car market, and other serious and persistent consumer problems.
- 2.46. Where the Partnership's activities and messages have reached consumers, it is likely that detriment will have been avoided as an outcome. However, measuring the impact and outcomes of consumer protection work is, as individual stakeholders have found, difficult to do. The CPP therefore faces a challenge to effectively demonstrate how its work has made a genuine difference in helping consumers. It will continue to make use of existing and emerging best practices to measure impact, drawing in and building on methods used by stakeholders within and outside the Partnership.

CMA Presidency of the International Consumer Protection Enforcement Network (ICPEN)

- 2.47. The CMA represents the United Kingdom on the International Consumer Protection Enforcement Network (ICPEN). ICPEN is a network of governmental consumer protection authorities from all around the globe. Members of ICPEN cooperate to share information about cross-border commercial activities affecting consumers, and to encourage international enforcement cooperation among consumer protection agencies.
- 2.48. The CMA this year made a successful bid for the UK to host the presidency of ICPEN from July 2015 to June 2016. This presents an excellent opportunity to ensure that stakeholders within the UK consumer landscape can more easily and effectively link up with their international counterparts to establish more streamlined operational working on key issues affecting UK consumers and to gain greater understanding of issues being faced in other countries as well as the solutions used to address them.

Annex A - The Consumer Landscape Review

This section of the report explains the background to the Government’s Consumer Landscape reforms and the creation of the Consumer Protection Partnership to provide a holistic, coordinated approach to some of the issues causing the most harm to consumers.

National Audit Office and Public Accounts Committee Reports on Protecting Consumers

In June 2011 the National Audit Office published a report on “Protecting Consumers – the system for enforcing consumer law” which estimated that consumers suffer detriment of at least £6.6 billion every year. It also identified a lack of clear lines of responsibility for tackling detriment, and that the system for enforcing consumer law was not delivering value for money. The report criticised how the architecture in place was not effectively bringing together what was a fragmented delivery landscape.

Further concerns were highlighted by the Public Accounts Committee, who in November 2011 noted:

“Accountability arrangements for protecting consumers are incoherent and fragmented..... In designing a new system the Department must clearly spell out the obligations and responsibilities of all the organisations involved, ensuring that there is clear accountability and funding for regional and national issues”.¹⁴

Consumer Landscape Reforms

In 2012 the Government announced reforms to the way in which consumers are represented and protected. The reforms implemented included:

- Citizens Advice and Citizens Advice Scotland became responsible for consumer-facing education from April 2013, and consumer advocacy from April 2014. As part of the reforms the then Office of Fair Trading’s Consumer Direct telephone advice line Consumer Direct was transferred to the Citizens Advice Service in 2012, becoming the Citizens Advice Consumer Service.
- The Trading Standards Institute (TSI) launched their successor to the OFT’s Consumer Code Approval Scheme in June 2013.
- TSI became responsible for most business-facing education from April 2013.

¹⁴ Public Accounts Committee [“Protection Consumers – The System for Enforcing Consumer Law”](#). P5

- The National Trading Standards Board (NTSB) was created in April 2012, taking administrative responsibility for prioritising national and cross-local authority boundary enforcement.
- The Convention of Scottish Local Authorities (COSLA) set up Trading Standards Scotland, reforming trading standards services in Scotland through the creation of a single, responsive, national team.
- The creation of the Competition and Markets Authority (CMA) in April 2014. The CMA is responsible for promoting effective competition in markets across the UK economy and has a crucial and complementary consumer protection role. It is the UK's single competition authority with a duty to seek to promote competition for the benefit of consumers.

To ensure coherent delivery of the reforms, the Government put in place an overarching Consumer Protection Partnership (CPP). The CPP is made up of the National Trading Standards Board, Trading Standards Scotland, the Citizens Advice Service, the Department for Enterprise, Trade and Investment Northern Ireland, the Competition and Markets Authority, the Financial Conduct Authority, the Trading Standards Institute, and the Consumer Council for Northern Ireland. Partners work together to share intelligence, identify future issues that could adversely affect consumers and agree priorities for enforcement, information and education.

Annex B - CPP definition of “Consumer Detriment”

An important role for the CPP is to develop and present a national picture about the current level of consumer detriment – its extent, causes and the ways in which it is being tackled. It also seeks to highlight new areas where consumer detriment may arise. Before this could be achieved, the CPP agreed a common definition of “consumer detriment” to ensure clarity and consistency in collaborative work.

The CPP has defined ‘detriment’ as:

“A commercial practice or behaviour of a business or trader resulting in harm (loss of welfare) caused to individuals”.

Possible causes of detriment include problems with traders, consumers’ inability to exercise choice - for example because of the complexity of products and services - and failure of markets.

Detriment may have an immediate impact – such as financial loss, wasted time and effort in remedying a problem and psychological effects – and longer term impacts such as consumers’ ability to maintain a standard of living or pay for essentials, loss of confidence in purchasing goods/services in particular markets or exclusion from markets, and negative impact on health and well-being.

The CPP’s work to understand areas where detriment is causing the most harm to consumers, and then address them through targeted work is explained in the following sections – beginning with progress against the Partnership’s Priorities for 2013/14.

Annex C - Consumer Protection Partnership Governance Structure

Since the publication of the first Consumer Protection Partnership Priorities Report in November 2013, the CPP has strengthened the link between the strategic direction set jointly by the Partner's leaders, and the operational delivery of these strategies through specialist research and working groups through the creation of distinct Strategic and Operational Groups.

The CPP Strategic Group brings together leaders from across the consumer landscape three times a year to set the strategic direction for the Partnership, define the vision and ensure it has the greatest impact possible in tackling consumer detriment. The Group makes strategic assessments, taking into account intelligence and evidence of detriment available to CPP Partners. It agrees priority issues for collective action which are:

- Significant causes of consumer detriment (as previously defined by the CPP), either to the specific individuals they affect or cumulatively across the population
- Of importance to and represented within the priorities of two or more CPP members
- Most effectively tackled through coordinated and collaborative action by the CPP involving interventions across the consumer regime

The CPP Operational Group delivers against the priority issues identified by the Strategic Group through commissioning, resourcing and monitoring the performance of Working Groups. The Group can also commission horizon scanning exercises to identify emerging issues. It ensures that Partners work together to deliver a programme of coordinated enforcement, information and education activity. The Operational Group meets every six weeks.

The CPP Working Groups bring together relevant partners to identify interventions that will have the greatest impact in reducing a specific cause of consumer detriment (e.g. home improvement or mass-marketing scams) and to agree and coordinate collective action to tackle such detriment, using all available tools. The Working Groups report back on their progress against objectives and milestones at each Operational Group meeting.

The CPP Communications Group brings together press officers and communication experts from across the consumer landscape to coordinate communication campaigns and share messages on key strategic issues.

Annex D - Mass Marketing Scams Action Plan

Prevention

Action	Outcome	Lead Organisation	Timescale
<p>Support Royal Mail to roll out the project initially trialled by trading standards to:</p> <ul style="list-style-type: none">• educate postal staff on scam mail; and• encourage them to report any suspicions they may have on such to their own Royal Mail confidential hotline. <p>This will then be disseminated to the relevant trading standards authority via the Scams Team</p>	<p>A multi-agency approach is taken to ensure that the perceived victim, and more likely, repeat victim is fully supported with a view that they will substantially cut back on responding to the scam mail they receive.</p> <p>The number of referrals received from Royal Mail will be collated along with details of the intervention undertaken.</p>	<p>COSLA and Scams Team</p> <p>DETINI are also taking forward this work on behalf of Northern Ireland</p>	<p>The formalisation of the process has now begun through the signing off of relevant Data Sharing Agreements and establishing a running order for training.</p>

<p>Establish better coordination of planned awareness campaigns across partners.</p>	<p>By doing so, partners will work more closely together to ensure key themes and priorities are reflected.</p> <p>This will allow for the building of a stronger brand due to work being complimentary as opposed to duplicated across various organisations. Findings from Scams Awareness Month 2014 will be reviewed and considered as to how this is being achieved.</p>	<p>COSLA to lead through their input in the BIS shared Communications Group</p>	<p>Complete</p>
<p>Ensure common definitions and terminology for the likes of fraud, mass marketing scams ect. are established and understood by all partners with regard to awareness raising campaigns.</p>	<p>Establishes clarity of understanding for MMS definitions, allowing for a lead organisation to work effectively according to the remit of future work.</p> <p>Provides an understanding on different terminology that different organisations use.</p>	<p>COSLA and the Scams Team, with significant input from Action Fraud.</p>	<p>March 2015.</p>

<p>Pull together best practice of the most effective forms of communication for the message that we want to put across, ensuring we reach the target audience.</p> <p>Undertaken an evaluation of campaign work where appropriate and utilising the various forms of modern media currently available to ensure the message is spread as widely as possible.</p>	<p>Partners are able to share information about what form of communication works most effectively meaning that resources are targeted at how to reach the target audience.</p> <p>Evidence that campaigns have become more effective since best practice agreed.</p>	<p>COSLA</p>	<p>First steps completed July 2013.</p> <p>As this work is not specifically tied to campaigns around scams, it will draw on the evaluations from other consumer protection campaigns.</p>
<p>Establish and agree a clear process for identifying and working with repeat victims.</p>	<p>A significant number of chronic scam victims have been identified within the UK and given the detrimental effect both mentally and financially on the victim, a clear process to help repeat victims would help empower them to identify scams and say no to the scammer.</p>	<p>Scams Team</p>	<p>Complete</p>

<p>Explore and expand the range of channels and partners who communicate with consumers, e.g. community nurses/adult social care.</p>	<p>Evidence that partners can identify early warning signals and can alert the relevant authorities of potential victims.</p> <p>Positive feedback that Social Work and other partners are more aware of the role of trading standards and the powers available to them.</p>	<p>COSLA and Scams Team</p>	<p>Complete. However will develop further as more potential channels are identified.</p>
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Intelligence

Action	Outcome	Lead Organisation	Timescale
<p>The development of a new simple integrated consumer reporting process should be explored to ensure consumers are reporting any scams they have experience of.</p>	<p>Consumers are engaged and encouraged to report potential scams using this system, in turn, building up the intelligence base and also means more robust targeting of resources can take place.</p>	<p>Action Fraud</p>	<p>Action Fraud are currently reviewing their reporting systems.</p>
<p>Establish a system to ensure a better flow of intelligence between partners beginning at a local level with a view to building up to cross border and eventually national intelligence sharing.</p>	<p>Partners are aware of emerging scams and are able to develop robust intelligence packages to tackle and raise awareness of new trends.</p>	<p>Individual organisations will each lead on this independently building up from a localised level in the first instance.</p>	<p>No date for conclusion has been attached as this is something which should continually evolve.</p>

<p>Develop a mechanism for disseminating details of seized “sucker lists”.</p>	<p>Ensures action can be taken to prevent these consumers from losing additional funds and becoming a repeat victim.</p> <p>The Scams Team are already measuring how much the consumer has lost and how much has been saved due to intervention and an update on these findings will be considered at future meetings of the Working Group.</p>	<p>Scams Team</p>	<p>Concluded.</p>
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Enforcement

Action	Outcome	Lead Organisation	Timescale
Develop a mechanism to allow partners to identify who is working on specific pieces of work. This can be sanitised to ensure that operations are not compromised.	Resources are prioritised and 'blue on blue' situations are prevented.	All contributed to discussions	Concluded. Further to consideration, it is likely that this action will not be taken forward as initially set out. Instead this will be enhanced through the work each individual organisation is involved in via developing their own relationships with partners. As such establishing more buy-in and importantly trust along the way.
Establish the roles and remits for partner organisations outlining how they tackle mass marketing scams	Assists in building a shared vision and series of priorities to enhance joint working	Scams Team	January 2015
Develop a database of national contacts.	An up to date directory of single point of national contacts is produced to ensure that information is shared effectively.	COSLA	January 2015

<p>Facilitate a mechanism for the sharing of experience and existing tools, for example good and effective practice at taking down scam websites, phone lines and taking action against the owners of accommodation where the scam business is operating.</p>	<p>Partners have a toolkit and sound evidence base into what forms of action work and what problems have previously been experienced.</p>	<p>Scams Team</p>	<p>January 2015</p>
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Annex E - Used Car Commission

Letter from Used Car Commission Chair Leon Livermore to Jo Swinson MP, Minister for Consumer Affairs

Jo Swinson MP
Minister for Employment Relations and Consumer Affairs
Department for Business, Innovation and Skills
1 Victoria Street
LONDON
SW1H 0ET

Dear Minister

In November 2013, under your guidance, we established the Used Car Commission to examine the root causes of consumer complaints in the sector and explore methods of reducing consumer detriment. Over the past six months colleagues from the Institute and other partners have pulled together existing data into a single collated report and I attach a copy of this report for your information.

On the 8th May the Commission met to discuss the report and what action could be taken to address the high levels of consumer complaints. Since then we have been working to draw up a set of recommendations that share the full support of the Commission. As the Commission was drawn from the trade, consumer and regulator sectors we were able to look at the matters through the widest range of views. As Chair of the Commission I feel one of the strengths was the diversity of the group and the shared dialogue that we started, and will hopefully continue. The relationships and understanding built up through this process provides a platform to progress any recommendations. Whilst these recommendations are made to you and the Consumer Protection Partnership, who first identified used cars as a strategic priority, the members of the Commission are committed to support their implementation. Indeed I have met with your officials within BIS to discuss their implementation.

Where possible the Commission's recommendations have been made on the available evidence. However, as you will see from our findings, the evidence was not always able to identify the root causes of consumer complaints. The expertise of the Commission was therefore used to identify issues and solutions where no evidence was available.

There was much debate about what the report showed about the current state of the used car sector within the UK. It is clear that the market is a complex one, that is not homogeneous. Different sectors, such as franchised and

independent sectors, operate differently and cars of different ages may present different issues to consumers. Some of the evidence that we have found indicates a broadly compliant marketplace valued at £38.1 billion in 2013, with 7.1 million used car transactions per year. For example, some independent consumer research suggests that customer satisfaction is high and that the majority of consumers experience no problems with their used car purchase or have issues resolved by the vendor.

However, not all evidence supports this statement and the high level of consumer complaints continues to cause concern. The impact on consumers where things do go wrong is not limited to direct financial harm given the important role that cars play in people's everyday life, demonstrated by the high level of complaints to consumer groups. This fact has been reinforced by the publication of the annual European Commission Consumer Markets Scoreboard which tracks the performance of markets (as ranked by consumers in an EU wide survey) and continues to show poor results for the used car market. All parties have a desire to work together to ensure that consumers are adequately protected and ensure that we collectively understand the state of the market.

As you can see from the attached report there is considerable data available in this area. However the Commission found it difficult to translate this data into identified root causes of the high levels of complaints. This lack of clarity does provide a challenge to ensure that we develop evidence based solutions. In making the recommendations set out in this letter the Commission has therefore used the expertise of its members. Clearly there are other matters that impact on the used car market but we believe that the five actions called for in this letter will go some way to address concerns of all.

Recommendation 1

As previously stated the Commission struggled to identify root causes of problems, despite the wealth of information that exists. Consumer groups, industry and regulators all collect substantial information on complaints and the state of the market. In order to ensure that this data helps drive shared solutions our first recommendation is that the Consumer Protection Partnership (the CPP) should support the establishment of a framework for more effective gathering of data and intelligence on the used car market. This is not a call for greater data gathering but rather better categorisation and detail on the information already gathered. It is our understanding that Citizens Advice is already working to ensure that its coding provides clearer intelligence. The Commission feels that it is right that they continue this work but ensure that any solution encompasses the wealth of data held by other parties that may not be part of the CPP.

Recommendation 2

Codes and approval schemes are often vital tools in directing consumer behaviour and ensuring that they take steps to ensure that they avoid problems. The government itself supports such schemes as Trustmark and the Consumer Codes Approval Scheme. Consumer experts at the meeting expressed the

desire to have such schemes within the market to help promote higher standards and support their role in consumer education. This would help build on the good partnership work and campaigns, such as the highly successful Citizens Advice Campaign “check it, don’t regret it” ran last year. So it is clear industry standards play a role in ensuring consumers do not suffer harm. The industry itself has worked hard to raise standards in its sector and there are many schemes in existence that may provide levels of protection beyond that laid down in statute.

Whilst there is a desire amongst the Commission to be able to direct consumers to these schemes, it was felt that there is a high level of consumer confusion as to the value of individual schemes. The Commission felt that to introduce another scheme at this point might only add to this confusion and, might not provide any additional benefit given the number of schemes already in existence. The Commission does not feel that a one-size-fits-all approach to a used car code will work in practice, and that in the absence of any current approved used car codes under the Consumer Codes Approval Scheme it is better to maintain, improve and distinguish existing approaches to customer service and complaint resolution. The recommendation therefore is that the CPP should support the establishment of minimum requirements for approval schemes in the used car market and then actively promote and support those schemes that meet these standards. It would seem sensible that given the Trading Standards Institute is already leading on behalf of the CPP on a piece of work looking at simplification of the general consumer “approval” landscape that it leads on this recommendation. It is important that TSI does so with the support of the CPP and we recognise the need to fully engage with the appropriate stakeholders, whether they are members of the Commission or not.

Recommendation 3

Dealing with used car complaints and providing appropriate resolution can be a complex process and one that needs to deal, not only with the legal aspects of contract law, but also the technical aspects of a used car. There is evidence to show that, where those dealing with consumer complaints have access to both skills there is a higher level of early resolution. Whilst it is hoped that recommendation 2 will help ensure that consumers avoid problems there is still the need for the industry to have a clear and simple path from dissatisfaction to redress. The Commission would like to see that this clear path is created and appropriately resourced. The implementation of the Alternate Dispute Resolution Directive does provide a platform for these considerations to take place. Whilst the Commission is keen to see such a path is developed it is clear that both the Commission and CPP may not be the right forum to develop these proposals. I am happy to work with appropriate partners to develop thoughts further in this area and provide a subsequent, more detailed, proposal to you. However it would aid this work to have your mandate to do so.

Recommendation 4

E commerce plays an increasingly important role in consumer purchases and the used car market is no different. There was an acknowledgement by members that the platforms for used cars sales and "high street" dealers should be held to the same high standards. There is a group that represents such platforms, namely the Vehicle Safe Trading Advisory Group, and we would recommend that you meet with them to ensure that they are part of the solution in addressing consumer detriment.

Recommendation 5

Whilst not directly connected with remit of the Commission we also examined the potential role that emerging technology can play in both protecting consumers and improving the vehicle data available to the industry. As 'connected' vehicles are further developed (in light of initiatives such as the E-call emergency system) so the ability of cars to collate, store and provide their own history improves. However, with this comes a threat that the technology can be compromised, so without causing detriment to a competitive servicing and repair market place, the Commission recommends forming a partnership between the Association of Chief Police Officers and the National Trading Standards Board to clarify roles, to work with industry to gain a better understanding of the role of on-board technology and to take action against the relatively small number of criminal enterprises that seek to compromise that technology for financial gain (generally at the expense of the legitimate industry and consumers).

On behalf of the Commission I thank you for asking us to look into this market and we genuinely believe that these recommendations provide a strong starting point as next steps for improved consumer and business outcomes. I am more than happy to meet with you and your officials to discuss the next steps in implementation and to develop a more detailed action plan for each of the five recommendations made by the Commission. We will also continue to closely liaise with the European Commission who are currently undertaking a study of the EU used car market from a consumer perspective.

Yours sincerely

Leon Livermore
Chair – Used Car Commission
Chief Executive – Trading Standards Institute

**1 Sylvan Court, Sylvan Way, Southfields Business Park, Basildon,
SS15 6TH**

01268 582200 ♦ institute@tsi.org.uk

Letter from Jo Swinson MP, Minister for Consumer Affairs to Leon Livermore, Chair of the Used Car Commission



Department
for Business
Innovation & Skills

1 Victoria Street
London
SW1H 0ET

T +44 (0) 20 7215 5000
E enquiries@bis.gov.uk

Leon Livermore
Chair
Used Car Commission

www.bis.gov.uk

Our ref:

Your ref:

Used Car Commission

Thank you for sharing the Used Car Commission's findings and recommendations for tackling causes of harm within the used car sector. Problems relating to second hand cars form one of the biggest categories of enquiry to the Citizens Advice consumer service. From April 2013 to March 2014, Citizens Advice dealt with 69,342 enquiries relating to second hand car sales. In the same period, the "buying cars" content of the Citizens Advice online advice site *Adviceguide* had 474,041 page views, with a further 379,936 visits to the "problems with cars" pages.

Statistics such as these illustrate why the Commission's work is vital, and I read its conclusions with interest. I am pleased the Commission has pooled the wide range of expertise essential for the production of a set of recommendations for what is complex market, with often conflicting evidence. I welcome the valuable relationships built between the various partners within the Commission and urge all parties to continue to work together to help achieve the best outcomes for consumers.

I'm encouraged that the Commission found evidence indicating that the used car sector generally is broadly complaint. However as you note, not all the evidence supports this and the high level of consumer complaints remain a concern; as such there are areas for potential improvement which are highlighted in your recommendations. I will now address these in turn.

Recommendation 1

There is clearly a wide and diverse range of information and intelligence regarding the used car market but it is currently difficult to effectively access and analyse the data in order to grasp the root causes of problems within the industry. While Citizens Advice service continues to provide a valuable role in collecting much of this information, you rightly point out the need to collate information from a variety of sources.

The Consumer Protection Partnership (CPP) is currently developing and building its intelligence capability, drawing in a wealth of information from both members and non-members. This makes the Partnership an ideal place to centrally collate information regarding issues and developments within the used car sector.

I therefore agree with your recommendation and call on the CPP to develop a framework for gathering and categorising information regarding used cars, as part of its Knowledge Hub, so that current and emerging issues can be more effectively identified and addressed.

Recommendation 2

Consumer codes and approval schemes are an important way to provide information to consumers to help them protect themselves, and to improve standards of customer services without imposing unnecessary regulatory burdens on business.

I agree that a balance needs to be struck between trying to simplify the current landscape in relation to codes while at the same time, recognising the diversity of the market.

I support the recommendation to establish a minimum set of requirements for used car codes and approval schemes, and call on the Trading Standards Institute, with the support of the CPP and other partners, to take this forward.

In doing this TSI will help ensure that consumers benefit from a high level of service, and that standards are not set below the high levels already applied by the best existing quality schemes.

Recommendation 3

I agree with the Commission that when things go wrong, consumers should have a clear, simple path from satisfaction to redress.

In implementing the Alternate Dispute Resolution Directive we have to ensure ADR is available for all consumer to business disputes, including disputes arising in the second hand car market. We have consulted on the basis that a “residual” ADR

scheme which deals with disputes across a broad range of sectors is the best way to ensure blanket coverage.

I would like you as Commission Chair, along with appropriate stakeholders, to give further consideration to whether our proposals for implementing the ADR Directive will provide sufficient access to redress in the used car market, or whether more targeted action, such as a sector specific scheme, is preferable.

Recommendation 4

I recognise the growth the ecommerce market since the first secure online purchase was made in 1994. The UK has a strong consumer protection regime in place that covers situations where the consumer has bought goods (including motor vehicles) that are sub-standard or not what the consumer expected, and situations where the consumer has been pressured into buying the goods. In both cases, the law applies whether the goods were bought in person from the trader, or online. The Consumer Rights Bill which is currently in Parliament and the Consumer Protection (Amendment) Regulations 2014 which come into force in October, will further strengthen these protections and will bring greater clarity, benefitting both consumers and traders.

Whilst there are already measures in place to protect consumers who make online purchases, it is important that there is consistency in application.

The Vehicle Safe Trading Advisory Group (VSTAG) plays an important role in working to reduce online vehicle crime, drawing in the Police, Autotrader, Ebay, Motors.co.uk, and Pistonheads. **In the first instance, I would like my senior officials to meet with VSTAG to explore whether there are any inconsistencies between application of online and high-street standards, and if so explore possible solutions with them.**

Recommendation 5

I share the Commission's concern that despite a 76% reduction in the number of vehicles stolen between 2003-13, it was reported in 2013 that 53% of vehicles that were stolen were not recovered.

As the National Crime Agency has noted, the electronic compromise of vehicles often has links to organised crime, as vehicles are stolen for export, cloned, or broken up for parts.

I support your recommendation that Association of Chief Police Officers and the National Trading Standards Board collaborate to take action against organised criminals who compromise vehicle technology.

You'll also be aware that the European Commission is currently undertaking a consumer market study on the functioning of the used car market from the perspective of EU consumers. Its report is due to be published in the first quarter of 2015, and I encourage you to join up any areas of overlap in the recommendations.

I'd like to thank all members of the Commission for their thorough and collaborative analysis of the causes of consumer detriment in the Used Cars sector which has led to a set of practical next steps which we can take forward together. I'd also like to thank you personally for leading this initiative, building on the momentum created by last year's National Consumer Week.

I look forward to meeting with you to discuss the next steps aimed at tackling detriment within the industry and securing a better deal for consumers. Please contact my diary secretary on 020 7215 XXXX to arrange a meeting.

Jo Swinson MP

Minister for Employment Relations and Consumer Affairs

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