

To: PLANNING & ENVIRONMENT (PROTECTIVE SERVICES) SUB-COMMITTEE	Subject: DEPARTMENT OF TRADE & INDUSTRY – CONSUMER STRATEGY CONSULTATION	
From: DIRECTOR OF PLANNING AND ENVIRONMENT		
Date: OCTOBER 5 TH , 2004	Ref: ^	

1. Purpose

- 1.1 To inform members of the Department of Trade & Industry (DTI) consultation on its consumer strategy policy.

2. Background

- 2.1 The DTI has published a consultation on its consumer strategy for the next 5 – 10 years entitled “Extending Competitive Markets: Empowered Consumers, Successful Businesses”. The consultation is aimed at consumer and business representatives, local government, regulators and enforcers.
- 2.2 The Sub-committee was informed at its meeting in December 2003 of the results of a DTI comparative study into consumer policy regimes in other OECD countries. This had concluded that the UK was on a par with the best in terms of consumer rights in many areas, but that there were other areas where the UK needed to improve. These included the legal framework, redress mechanisms, enforcement arrangements, the use of market intelligence, and the availability of advice about suitable traders. The proposed strategy addresses these issues.

3. Considerations

- 3.1 As can be gathered from the title of the consultation document, the DTI aim is to have confident well-informed business and consumers that drive competitive markets resulting in a more prosperous society for all. This is to be achieved by making competition more effective, by empowering consumers and tackling deliberately dishonest trading.
- 3.2 The proposals for empowering consumers are:
- Develop Consumer Direct as a first point of contact for consumers
 - Strengthen utility consumer bodies like Postwatch and Energywatch
 - Improve access for consumers to information on individual traders
 - Expand the OFT Consumer Codes Approval Scheme to more areas of trading
 - Promote better consumer skills by improving the framework for consumer education
- 3.3 It is proposed to make the law clearer for the benefit of consumers and business by:
- Introduction of a general duty not to trade unfairly
 - Simplify existing UK legislation, creating a flexible framework setting out general principles that are clearer and more straightforward than existing regulations
- 3.4 There are proposals to make it easier for consumers and business to resolve problems by:
- Support for business to improve customer service and dispute resolution
 - Quality assurance for third-party dispute resolution services
 - Introduction of representative actions for consumers
 - Easier for consumers’ money to be returned if trader found guilty by court of illegal activity
 - Easier to use small claims court system

- 3.5 Some of the proposals for ensuring a fair and safe trading environment have potential implications for North Lanarkshire Council:
- Setting out minimum standards and performance measures for trading standards services
 - Strengthening trading standards services through performance management systems, and challenging poor quality services
 - Co-ordination of trading standards services through new central and local government cross cutting structures
 - Co-ordination of enforcement and training on legislation by the OFT
 - Cross border working between local authority trading standards services
 - Specialist trading standards team at regional level to target the most difficult crimes and to deliver economies of scale
 - Support for improved management and leadership to secure innovation and development in trading standards.
- 3.6 As previously reported DTI had given consideration to setting up a national trading standards service outwith local authority control. In the consultation document the benefits of such a move are given as more consistency in enforcement, advice and education programmes and the economies of scale that such a service would deliver. While there was evidence of patchy service provision currently, many authorities provide high quality enforcement services, and being within local government enables easier joint working on issues such as community safety and well-being. Not surprisingly the local government associations and LACORS opposed the removal of trading standards and believe there is scope to improve on current performance. The DTI conclude that they should leave trading standards services within local authorities and seek improvements through innovation within the existing framework.
- 3.7 The proposals at this stage set out general principles only without further detail as to how they would be taken forward. It is not proposed to send an individual response to the document from the Council. The consultation finishes at the end of October and the DTI have indicated that they will publish their final consumer policy strategy in the Spring of 2005. The sub-committee will be kept informed of any developments.

4. Corporate considerations

- 4.1 There are no financial, legal or personnel implications in this report and the recommendations are consistent with policy.

5. Recommendations

- 5.1 That the content of this report be noted.

C. Morgan

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