

Social Justice and Regeneration Committee

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Consumer Direct: Empowering Consumers; A paper for the Social Justice and Regeneration Committee of the Welsh Assembly Government

Introduction

The purpose of this paper is to illustrate how:

- Consumer Direct has been implemented in Wales
- To demonstrate how, through partnership working, Consumer Direct and local authority Trading Standards Services have become interdependent in championing consumer rights
- The service intends to develop further to promote consumer rights

Implementing Consumer Direct (CD) in Wales

In 2003, the provision of consumer advice was inconsistent across Wales and the adage "a postcode lottery" was often used to describe the situation faced by Welsh people seeking to access help and advice on consumer issues. While, some local authorities provided first class, quality marked advice services; others provided a rudimentary service that was often difficult to access: consequently, Welsh consumers were often the victims of injustice and in some cases suffered considerable economic detriment.

The CD project aimed to address these gaps in the provision of consumer advice and provide easy access to first step, civil law advice for all consumers. In 2004, Wales became a pathfinder for the CD vision. In order to make it immediately viable and tackle the problems of the "postcode lottery", all Trading Standards Services were asked to transfer any consumer complaint and enquiry which they received by telephone to Consumer Direct. Although this was a voluntary arrangement, every Trading Standards Service in Wales agreed to participate in this way and they continue to do so, a unique arrangement in the UK.

CD Wales is located in the heart of Cardiff City centre and is operated by Cardiff Council with support from a wide range of consumer organisations. The service was launched in September 2004 and has dealt with almost 250,000 queries from Welsh consumers since that time. The service is

provided bilingually and is available from 8.00 a.m. to 6.30 p.m. during the week and on Saturday mornings. Callers are offered advice on purchasing goods and service and help on obtaining redress. Additionally, CD operates a website where consumers are able to download standard complaint letters and record complaints via e-mail. CD does not however provide mediation or arbitration services nor does it offer any further assistance on complaint resolution. These issues are handled by Trading Standards, with some Councils providing walk-in consumer advice centres, in larger towns and cities, which continue to deal with a significant number of first-tier advice queries. In addition, it is the role of the local authority trading standards service to provide services to vulnerable consumers and handle the more complex cases.

CD records high levels of user satisfaction. CD is beginning to establish good links with the media in its effort to raise awareness on consumer rights. At a national level, CD has recorded over two million enquiries and these are held on a national database. The database is used by Trading Standards services and the Office of Fair Trading to track rogue traders, unfair trading patterns, and shopping trends.

Although consumers will not be aware of the interface between CD and local authority Trading Standards in the resolution of their problem, the role of CD as the front office for local authority Trading Standards in all consumer complaints is pivotal. Advice provision has never been so good in Wales, but the trading environment has never been more complex. Consequently, CD and Trading Standards in Wales have become interdependent in their role as consumer champions.

Consumer Direct and Trading Standards

It is important to understand and appreciate the nature of CD, and in particular its impact upon Trading Standards Services in Wales. Generally, CD is the main interface and first point of contact for consumers seeking advice. It has become the first port of call for many consumer issues. If CD is unable to resolve an issue, it acts as a 'hub' so that consumer's problems will be resolved quickly by the right organisation. The real strength and value of the way in which CD has been implemented is that a telephone call to the contact centre ensures that both individual and community needs are met at some stage. Consumers can benefit from the provision of immediate advice, guaranteed access to further, face to face advice and assistance by local services. Additionally, communities and markets can benefit from the resultant action by Trading Standards, preventing trade practices detrimental to the community. Accordingly, Trading Standards Services are dependent on the quality, effectiveness and continued provision of CD and rely heavily on it for information and intelligence which enables their services to meet local needs. This means that Consumer Direct, in addition to achieving its original vision, is a channel for reporting a wide range of information regarding unfair, illegal and unsafe trading practices.

Interestingly, the advent of CD was supposed to allow local authority Trading Standards Services to redirect resources which were previously allocated to receipt of straightforward complaints and enquiries from local consumers into other areas of work. In some instances, trading standards services have been reshaped accordingly and the investment used to tackle previously unmet needs and demands. Initiatives to reduce "doorstep crime", the education of young people about consumer rights and community based initiatives to promote health and well being are examples of this

redirection of resources. However, the intended high profile of CD is resulting in increased demands being placed on local authority Trading Standards Services in Wales, as more consumers begin to become aware of, and exercise their statutory rights.

Consequently, Trading Standards Services and CD are now in a symbiotic relationship where both are at risk if not supported by the other. CD is reliant on call transference from their local authority Trading Standards Services as the Council is reliant on CD providing first tier advice. Equally, the success of CD depends on its use and promotion by local authorities and the continuation of the agreement to transfer calls. Many local authorities, like Cardiff, are directly involved in the delivery and management of the CD regional centres which now form the national network. The two services are now heavily dependent on each other for their success in delivering the benefits which they should bring to consumers and business.

While the introduction of CD has been beneficial to local authority Trading Standards Services, constituting, in effect, an investment by central government, it also presents a risk which needs to be recognised and managed. If funding for CD were to cease, local Trading Standards Services would need to re-establish their interface with local consumers. That could be done only by the radical revision of resources by local authorities; a significant challenge in the current economic environment for local government, drawing on and reducing resources currently used for other aspects of the service provision.

Developing Consumer Direct

In 2006, the government announced its intention to expand the remit of the CD service to provide a single point of contact for information and advice for all consumer sectors. Incorporation of such complaints may help strengthen the CD brand and provide a more straightforward focus for consumers. A single number for consumer and utilities issues would help streamline the process for the consumer and could lead to quicker referrals between agencies with a more joined up approach. Alternatively, a larger number of regulatory service stakeholders, using CD to achieve their own objectives may weaken the current focus of CD on Trading Standards issues. Local authorities will want to input to the strategies and plans that will be developed for the expansion of CD in order to ensure that they are not detrimental to their interests and that local and central government invest as partners for the benefit of consumers and the establishment of successful markets.