Reforming competition and consumer policy

Response to the Consultation Paper by Consumer Scotland

This response is on behalf of the Board-designate of Consumer Scotland, and submitted by [redacted].

Consumer Scotland is the new consumer body for Scotland and will commence operations from Spring 2022. This new non-Ministerial body, representing consumer interests in Scotland, is being established under the provisions of the Consumer Scotland Act 2020[1]. This legislation provides the statutory basis to establish the organisation Consumer Scotland, as well as outlining its functions as a consumer advocacy and advice body and establishing a duty on other public bodies to have regard to consumer interests.

We recognise the thematic trends of the consultation, focusing on enhancing the speed of consumer processes and strengthening of enforcement. We support this broad approach in advance of the formation of Consumer Scotland, and intend to work closely with sector regulators and the Competition and Markets Authority to contribute to better outcomes for consumers.

Introduction

The role of Consumer Scotland is to help to grow the Scottish economy by helping all citizens to actively and equally engage in building a sustainable economy for Scotland. Consumer Scotland's focus will be on building trust between businesses and consumers, removing friction from markets and ensuring all consumers are protected, thereby building better markets for everyone. Our role is to listen to the needs of Scottish consumers and businesses to help ensure they are represented and that businesses understand how to deliver better services and are therefore supported to grow sustainability.

The functions of Consumer Scotland, set out in its founding legislation are;

- a General function of providing consumer advocacy and advice with a view to reducing harm to consumers in Scotland;
- a Representative function of providing advice and making proposals on consumer matters to Scottish Ministers and public organisations in Scotland, and to other organisations where needed;

[1] Consumer Scotland Act 2020 (legislation.gov.uk)

- a Research and Investigation function of providing analysis on consumer matters and on the views of consumers, and of undertaking investigations on particular issues, business practices and sectors;
- an Information function of providing advice and information to consumers on consumer matters. This may be done directly by Consumer Scotland or in collaboration with other organisations; and
- a Recall of Goods function of providing for the establishment and operation of a publicly available database of major recalls of goods in Scotland.

We intend to work with both consumer organisations and businesses in Scotland to ensure all views are represented and understood both regionally in Scotland and nationally. As an insight driven organisation, we will use this knowledge to advise the Scottish and UK Governments, and collaborate with local consumer organisations as well as regulators, government departments throughout the UK and to fund consumer advocacy support in Scotland.

Data driven insights

In line with the Research and Investigation function, we see data-driven intelligence as key. This will allow us to understand where to focus and to optimise the beneficial impact for Scottish consumers. There is already considerable knowledge of the consumer landscape, and we intend to collaborate with consumer organisations to gather, understand and aggregate the data required to deliver better outcomes. This will provide a new source of original and integrative insights on competition and consumer issues in Scotland, which can contribute to the aims set out in this consultation.

Collaboration builds better outcomes

Our focus is to actively address consumer issues that adversely affect Scottish Consumers and to ensure their rights are represented effectively at all levels of government. We intended to build a proactive relationship with Westminster including BEIS, regulators and the CMA. As part of this we welcome this consultation and support its aims and intentions. As Consumer Scotland comes up to speed, we would aim to proactively engage in all the key elements addressed within this consultation. We are supportive of the direction of travel of the consultation, especially with regard to Consumer Rights and Consumer Law Enforcement.

Supporting consumers

We wish to ensure all consumers can play a part equally and we intend to focus our energies towards supporting vulnerable consumers. For every consumer to participate we need to ensure every consumer has access to trusted information and appropriate support. Our role as the statutory consumer advocate for Scotland will be to help co-ordinate and support consumer bodies, delivering policy in key market sectors. We see this consultation and UK Government's proposals as able to assist the role of Consumer Scotland in supporting all consumers.

Growing the economy

For the Scottish economy to deliver sustained continued growth we need to ensure a consistent supportive approach to businesses so businesses can understand how to play their part in the Scottish economy. We will work with businesses and membership organisations so they can understand the positive role they can provide to the economy and encourage better businesses to thrive and grow. Consumer Scotland has contributed to the Scottish Government's consultation on the development of the 10 Year National Strategy for Economic Transformation, and has emphasised the importance of consumer and competition issues in promoting positive economic change.

The short and medium tern economic environment faces many challenges, especially the adjustment after the covid pandemic and the establishment of post-Brexit trading arrangements. The reliability and resilience of the provision of goods and services to consumers in Scotland is already a central issue. It is not yet clear how current changes in supply chains, and availability of products, will move beyond a temporary disruption into a permanent reorientation of the availability of goods. This will be important in regulated utilities, and for consumers across wider sectors. Consumer Scotland will assess these developments, and keep under review how the legislative framework across UK and Scottish jurisdictions is serving Scottish consumers, and will make proposals for changes which can bring a demonstrative benefit to consumers in Scotland.

Achieving sustainability

Scotland is committed to building a net zero circular economy. The necessary changes in the economy bring potential for growth opportunities for businesses and employment opportunities. This growing approach will require support and guidance for Scottish businesses to take advantage of the opportunities. We will work with the Scottish Government to help everyone understand how they can help transition and to benefit from the opportunity.

How do we continue this conversation with you?

The Board-designate of Consumer Scotland would be happy to discuss this further with members of BEIS at any time in the future. The Consumer Scotland Secretariat acts as first point of contact for the Board-designate and can be contacted at cssecretariat@gov.scot.

Annexe 1: Consultation feedback

Detrimental action pays model

We support the principle of the polluter pays model, where businesses do not comply within regulation are subject to incremental costs. This can be through public enforcement, or alternative dispute resolution or similar methods. These should be untaken swiftly yet allowing businesses time to effectively resolve any issues. Extensions of the sectors covered and the methods by which enforcement can take place we are supportive of, along with increased powers for the CMA to help ensure consideration is given to markets.

Helping businesses

Supporting businesses is a fundamental key to any successful market. Consumer Scotland sees consumer regulation as a lever to help drive economic growth. Growth is delivered through trust between businesses and consumers. Businesses that deliver a positive experience or service have been shown to be more profitable. We are therefore supportive of helping businesses and believe this should be focused on supporting and showing the benefits of being a better business.

Enhanced protection

Enhancing consumer protection enhances consumer trust. Better trust helps build better markets. We believe this enhanced protection should deliver the right outcomes for consumers but also be fair and proportionate to businesses.

Joined up thinking

Consumer Scotland is a new consumer body, and we are focused on creating a joined-up approach to supporting Scottish consumers and we want to help ensure this same approach is achieved across the UK. The better sharing of data and therefore intelligence and insight will help

Consumer Scotland believes better outcomes for everyone are based on growing the Scottish economy and consumer protection should be at the heart of the approach. If Scottish consumers and businesses are positively engaged in a trusted market environment. We are focused on collaborating with government, regulators consumer organisations to ensure better decisions deliver better outcomes for everyone.