

## OFT Annual Report and Accounts 2013 to 2014

### Annexe E

**Markets work, (calls for evidence/information, market studies, super-complaints, and reviews of undertakings and orders), 1 April 2013 to 31 March 2014**

#### Markets Work summary

**Table E.1: Markets work statistics, 1 April 2011 – 31 March 2014**

	2011-12* (for comparison)	2012-13 (for comparison)	2013-14
Markets work launched	3	7	9
Markets work completed	5	14	12
Markets work ongoing at end of financial year	3	5	3

\* Please note that figures for this year were for market studies only

## Completed markets work

**Table E.2: Markets work completed, 1 April 2013 – 31 March 2014**

Markets work	Date launched	Date completed and length of work	Expected completion date at time of launch	Reason for extension (if any) beyond expected completion date	Summary of outcome
Roundtable on Confusopoly	14/03	26/04 (1 month)			The OFT held a roundtable discussion of the issue where firms make price structures or product attributes unnecessarily confusing for consumers. This involved regulators and consumer groups. The OFT subsequently published information on its website on how these issues may be addressed.
Review of the Personal Current Account Market	13/07	15/05 (10 months)	Early 2013 for a final decision on the question of a market investigation reference to the Competition Commission	Delay in reaching a final decision due to the need to consider the impact of the collapse of the proposed divestment from Lloyds Bank to the Co-op Bank in early 2013	This review found that since the OFT's last detailed look at this market in 2008, concentration among the large providers has increased, new entry remains infrequent and switching rates are still low. Ultimately, a combination of consumer apathy, a lack of competition and low levels of innovation make this a market that does not work well for consumers or the economy. However, a number of changes taking place in the market meant the OFT did not consider it appropriate to make a Market Investigation Reference of the Personal Current Account market at the time of its decision in May 2013.
Call for Information on Personalised Pricing	15/11	17/05 (6 months)			Information about consumers is collected, traded and analysed by online businesses for commercial purposes. However, in general, this work found that the level of transparency and awareness about the collection and use of consumers' information is low.

			We provided advice to providers on how they could be more transparent about their practices; and agreed to work with the Information Commissioner's Office (ICO) to explore and further understand issues in this area.
Market Investigation Reference to the Competition Commission of the Payday Loans sector	06/03	27/06 (3 months)	On 6 March 2013, the OFT published a consultation document setting out its provisional decision to refer the payday lending market in the UK to the CC and opened a public consultation. The consultation document identified a number of features that the OFT suspected were - either individually or in combination - preventing, restricting or distorting competition in this market. The public consultation closed on 1 May 2013. On 27 June 2013, the OFT announced its final decision to refer the market for payday lending in the UK to the Competition Commission (CC) for a market investigation.
Competition and innovation in Payment Systems	26/03	24/07 (4 months)	A short exercise gathering evidence on competition and innovation in payment systems to inform HM Treasury's consultation on the regulation of payment systems.
Market Study of Quick House Sales	18/04	07/08 (4 months)	Following this study, the OFT opened an investigation into three providers, which focused on business practices that potentially raised serious concerns, as well as engaging with relevant bodies and writing to nearly 120 suppliers to advise them of the issues in the report, remind them of their legal obligations, and ask them to check that their business practices and contract terms comply with those obligations.
Advice to the Chancellor of the Exchequer on the divestments from	19/06	11/09 (3 months)	Considered the impact that new challenger banks to be created by Lloyds and RBS would have on strengthening competition in small business banking and identified where more can be done to strengthen competition in this area.

Lloyds Bank and RBS			
Call for Information concerning Information and Communication Technology	03/07	15/10 (3 months)	The summary report found that certain businesses appear to have a large share of contracts in some areas of the sector; there are high barriers to entry and expansion; and difficulties and high costs in switching. The OFT launched a market study in this sector in this area on 15 October.
Defined Contribution Pensions Market Study	17/01	11/02 (14 months)	The Study identified around £30 billion of savings in old (pre 2001) and other high charging contract and bundled-trust pension schemes that may not be achieving value for money by the standards of modern defined contribution workplace pension schemes. The OFT's final decision on the question of a market investigation reference is that although there are a number of features of the market that satisfy the reference test, the package of remedies being developed are likely to impact the persistence of the features identified. Accordingly, the OFT has not made a MIR to the CC in respect of the defined contribution workplace pension market at this time.
Market study of Information and Communication Technology to the Public Sector	15/10	25/3	Market study report published finding that competition could work better in the supply of ICT to the public sector. The OFT is recommending that the public sector address these concerns by improving the way it procures and manages contracts with suppliers and that suppliers be more transparent with their public sector customers.
Call for Information on the	22/10	14/3	The Call for Information did not find any evidence of anti-competitive behaviour in the sector. It did identify a number of gaps in the information available to prospective students,

Higher Education Sector in England			<p>regulations which create an un-level playing field between higher education institutions and some practices which could represent a breach of consumer protection legislation. The OFT therefore recommended that the Competition and Markets Authority do further work to consider how regulation can be designed to support effective student choice and competition and to clarify the prevalence and significance of practices which could mean students are not treated fairly.</p>
Joint Review of Competition in the Energy Market	18/11	27/3	<p>The Government asked Ofgem to work with the OFT and the Competition and Markets Authority to carry out a market assessment to ensure the energy market is working for residential and small business consumers and that all suppliers can compete fairly.</p> <p>The OFT worked with Ofgem to publish a joint assessment which found that competition in energy markets may not be achieving good outcomes for all consumers and small businesses. Following this assessment Ofgem has made a provisional decision to refer the market to the CMA.</p>

## Ongoing markets work

**Table E.3: Markets work that was ongoing as at 31 March 2014**

<b>Markets work</b>	<b>Date launched</b>	<b>Progress as at 31 March 2013</b>	<b>Expected completion date at time of launch</b>	<b>Reason for extension (if any) beyond expected completion date</b>
Market Study of Competition in Banking for SMEs	19/06	Continuing	Early 2014	The OFT published an update on 11 March 2014 that noted the study will be completed by the CMA as part of a wider examination of competition in retail banking.
Review of undertakings in relation to the supply of banking services for SMEs	19/06	Continuing	Early 2014	The OFT published an update on 11 March that noted the review will be completed by the CMA.
Market Study into Residential Property Management Services	04/03	Launched on 4 March, information gathering and analysis is underway	End of 2014	

## Super-complaints

**Table E.4: Super-complaints dealt with by OFT, 1 April 2012 – 31 March 2013**

<b>Super-complaint*</b>	<b>Complainant</b>	<b>Date received</b>	<b>Date of OFT response</b>	<b>Status as at 31 March 2013</b>
No super-complaints were	-	-	-	-

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received  
during this  
reporting  
period.

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## Reviews of orders and undertakings

**Table E.5: Reviews of orders and undertakings completed, 1 April 2012 – 31 March 2013**

<b>Review</b>	<b>Date launched</b>	<b>Date completed and length of review</b>	<b>Summary of outcome</b>
None completed during this period.			

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