

**CONSUMER PROTECTION
PARTNERSHIP: UPDATE REPORT
2016**

Third report on the Partnership's
work to date and planned future
activities

APRIL 2016

The Consumer Protection Partnership



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Executive Summary

1. This is the third Report by the Consumer Protection Partnership (CPP). The CPP was created in April 2012, and it brings together consumer protection organisations. Its purpose is to: identify areas of where there is a risk that consumer will face harm and where action is not already in place, agree actions to tackle the issues as necessary.
2. This report highlights work undertaken to tackle consumer detriment since the publication of the second [Priorities Report](#) in January 2015 and outlines the Partnership's current areas of concern.
3. This report starts a new way of working for the CPP. From 2016, the idea of "Priorities" has been replaced by "Areas of Concern" acknowledging that future issues may emerge which require action more urgently than issues named in this report. Existing and new areas of concern will be considered and tackled by members of the CPP working jointly and individually, as needed. Going forward, the CPP's planned activities will be refreshed more regularly to identify and react to any new, emerging issues.

Progress During 2015

4. Since January 2015 the members of the CPP have worked together, pooling their knowledge, intelligence and expertise to:
 - Develop a toolkit for advisors and enforcers for assisting with questions and complaints about **unfair prepayment and cancellation terms**.
 - Develop and implement a coordinated plan of action to address **subscription traps** and issues caused through **social media advertising**, drawing in stakeholders from inside and outside the CPP.
 - Feed into the implementation and launch of the [Consumer Rights Act 2015](#) to ensure that consumers and businesses were aware of what changes in the law meant for them.
 - Promote and share key messages during [Scams Awareness Month 2015](#), and [National Consumer Week 2015](#) to educate and empower consumer to know their consumer rights, as well as avoid harm caused by scammers & rogue traders who indulge in criminal behaviour and unfair business practices.
 - The CPP has collectively or individually also taken forward work to investigate and tackle problems in the use of personal data and in Car Hire. As well as raising awareness of how consumers can avoid harm caused by Doorstep Crime and Mass Marketing Scams

CPP Areas of Concern for 2016

5. CPP areas of concern are those that are:

- Significant or emerging causes of consumer detriment (as previously defined by the CPP), either to the specific individuals they affect or cumulatively across the population;
- Not currently being tackled effectively by the relevant body, and /or
- More effectively tackled through coordinated and collaborative action involving interventions across the consumer regime, or
- Issues where consumer protection gaps exist, but currently no tools to tackle it, and /or it was not in any one partner's gift to take action.

6. On this basis, **CCP Areas of Concern for 2016** are:

- **Consumer Redress in the Electronic Goods Sector** – consumers are confused about their rights when buying goods like mobile phones.
- **Scam Calls** – people are being tricked through a variety of fraudulent schemes.
- **Digital Markets** – continued rapid expansion of the internet and increased engagement between consumer and businesses online raises risks and creates vulnerabilities
- **Ticket Scams and Re-sales** – increasing consumer confidence in the secondary market.

7. The specific issues behind the areas of concern and the reasons for why the CPP has selected them for action are explained in [Section 2](#).

8. These are initial areas identified. We expect these to change as new threats emerge and existing problems are tackled. For example, as legislation from the Consumer Rights Act embed or as new information on particular markets emerges.

1. CPP Work since 2015 report

- 1.1. The Consumer Protection Partnership's work is driven by three key tasks:
- To reduce consumer detriment - through empowering consumers and tackling rogue traders
 - To raise the profile of CPP work for the benefit of consumers
 - Strengthening the Consumer Landscape.

Reducing Consumer Detriment

Unfair Prepayment and Cancellation Terms

- 1.2. The CMA has led work with other Partners to consider unfair prepayment and cancellation terms in business to consumer contracts. Prepayment terms, when taken in conjunction with unfair cancellation terms, create greater potential for consumer detriment. While the focus was on prepayment and cancellation terms in particular, outcomes have a wider impact on the CPP's understanding of, and ability to respond to, unfair contract terms issues in general.
- 1.3. The CPP agreed to focus on the wedding and event venues sector as prepayment and cancellation terms are commonly used by businesses that provide venues for weddings and events. Weddings are also one of the most significant expenditures for consumers (the average cost of a wedding is around £22,000).
- 1.4. By focusing on wedding venues/packages it is hoped that good practice will spread to similar businesses that provide venues/packages for celebratory events (such as anniversary and birthday parties). There are also potential links to the provision of associated accommodation such as a hotel package providing for both function and accommodation rooms.
- 1.5. Consumers are potentially more vulnerable given the importance of the event and their focus on the planning and excitement of the day, rather than the potential for cancellation or changing their mind. There are limited opportunities for consumers to learn from experience as it is generally a one-off expense; however the issue is relevant to consumers across all social strata and across the UK (there were around 260,000 weddings and 7,000 civil partnerships in England and Wales in 2012).

The issue

- 1.6. Venue providers for weddings and similar events typically require significant payment (up to 100% of the total cost) in advance, often several months to over one year before the event. They typically impose a sliding scale of cancellation charges, up to 100% of the total cost if the cancellation occurs one month or more before the event, and/or often rely on non-refundable deposits, often of significant sums.

CPP Response

- 1.7. A suite of compliance documents has been developed, designed to be used by enforcers and advisers as a cohesive toolkit or as separate documents by different target audiences such as consumers, advisors, businesses, and enforcers. The toolkit was designed to raise awareness of the key issues and to assist in assessing terms for fairness.
- 1.8. The toolkit components were developed with enforcers and advisors, ensuring they provide the practical guidance they would need to assess and address unfair contract terms. The components cover the consumer's journey, from when consumers are considering a complaint, to the provision of advice and education to consumers and business, to the assessment of terms and conditions under the law, followed by engagement and compliance action by enforcers against businesses.
- 1.9. Tips for [consumers](#), and [businesses](#) are available from the CMA webpages and the toolkit has been used to develop content for Citizens Advice, Citizens Advice Scotland, CMA, Trading Standards Scotland, and Chartered Trading Standards Institute websites. Enforcement and compliance tools have also been disseminated to Trading Standards Officers through internal e-communications.
- 1.10. CPP Partners, frontline Trading Standards Officers, and Citizens Advice advisers in London and Edinburgh have received training on unfair prepayment and cancellation terms, helping identify appropriate compliance and enforcement action. The training also explained the recent changes to the relevant legislative framework brought about by the Consumer Rights Act 2015. In particular, the training sessions gave participants an overview of the relevant law and guidance relating to unfair terms together with practical tools for assessing terms, particularly prepayment and cancellation terms, for fairness.
- 1.11. As part of this work, the CMA also provided seminars on unfair terms, including prepayment and cancellation terms, at the CTSI Annual Conference in Bournemouth and the European Unfair Terms Strategy (EUTS) Workshop in Brussels for co-enforcers within the Europe-wide Consumer Protection Cooperation (CPC) Network.
- 1.12. The CMA has also recently issued [advisory letters](#), on behalf of the Partnership, to a number of major wedding and other events venues across the UK to advise them of potentially unfair advance payment and cancellation terms and recommend that they review, and where necessary revise, their terms to ensure they comply with consumer protection law. The initiative picked up widespread press coverage:

Image 1: Headlines from the Daily Mirror, Daily Mail, i, and Daily Herald

Wedding venues told to ‘play fair’ on deposits

CONSUMER

Greedy wedding venues warned over deposits

Warning for wedding venues over rip-off fees

By **Rosie Taylor**
Business Reporter



1.13. Some Partners such as Trading Standards Scotland report they would not have otherwise taken on unfair terms work, and that participation has been widely welcomed by Trading Standards services in Scotland. This demonstrates how the CPP positively influences the work of its members, to better protect consumers.

1.14. **The CPP will report on the impact of this work in its 2017 update.**

Subscription Traps, Search Engine Advertising, and Social Media Advertising

1.15. National Trading Standards has led work with a range of Partners to consider problems caused by online subscription traps, and advertising found on search engines and social media. In doing this we drew in the expertise of [Get Safe Online](#), providers of practical advice on how to protect yourself and your business against fraud, identity theft, viruses and many other problems encountered online.

1.16. The issue was chosen by the CPP in recognition internet shopping continues to grow, and consumer spending online continues at a rapid rate. The increase in online business and innovations online brings benefits for many people; but there are also potential risks and downsides. The growth of online shopping present greater opportunities for consumers to fall victim to online scams.

- 1.17. It is important to ensure that consumers can have confidence in online purchases, and that they are provided with clear and accurate information to enable them to make informed choices. However three areas of particular concern to the CPP are subscription traps, search engine advertising, and social media advertising – all of which can cause substantial harm to consumers.

The issue

- 1.18. 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).
- 1.19. What consumers often 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.
- 1.20. The issue is compounded by the way offending businesses extract payment through “continuous payment authorities” and the failure of some banks to deal with complaints of malpractice and stop payment in a consistent and uniform way.¹ Between June 2014 and June 2015, 16.8 million people signed up to a subscription service using a continuous payment authority². Consumers also have a low level of awareness of what continuous payment authorities are, and how to cancel one.
- 1.21. Search engine advertising problems occur when unscrupulous traders exploit the anonymity of advertising of on line searches. Traders have the ability to pay for their postings to be promoted to the top of a search engine on line search. This practice was a tactic used by copycat websites to perpetrate their fraud. The postings and link directed consumers to a “look alike” government style website where consumers were scammed into paying a separate application/ handling fee for that would have not applied had they gone to the legitimate government site.
- 1.22. It is also expected there will be a rise in abuse of social media advertising, mirroring the misuse of search engine advertisements seen in the ‘copycat’ website problem.

¹ Research by Citizens Advice and Citizens Advice Scotland round that 2 million consumers in Great Britain have had a request to cancel a CPA declined by either the company, or their bank/ card provider.

² [Citizens Advice/ Citizens Advice Scotland “Locked In”. P2. 2016](#)

CPP Response

- 1.23. NTS has led work with Partners to assess the issues and coordinate a range of activities to inform and support consumers and legitimate business, whilst taking action against those that break the law.
- 1.24. Citizens Advice and Citizens Advice Scotland have teamed up to look at problems faced by consumers who unwittingly get locked into expensive subscription payments advertised as a free trial. Their report [Locked In](#) has seven recommendations for a range of stakeholders who could make a difference in helping to tackle the problem. These recommendations are published as [Annex C](#) in this report. As the report remarks, there is an onus on all parties involved to increase consumer awareness of subscription traps and their rights when signing up to, or trying to cancel a CPA. This will ultimately help consumers protect themselves.
- 1.25. In the realm of social media advertising, NTS has strengthened links with Facebook to enable the takedown of fraudulent pages and profiles, and helping consumers to avoid exposure to scams.
- 1.26. Elsewhere, there are plans to team up with the credit and debit card industry to highlight the dangers of subscription traps as well the difference between Direct Debit and Continuous Payment Authority (which is often confused with Direct Debit) and how this affects consumers.
- 1.27. Collaborative work is ongoing with international partners to disrupt illegal activities both in the UK and abroad, including targeted enforcement action against rogue traders. There are also plans to produce clear guidance for UK enforcers, enabling more effective pursuit of rogue traders. The CPP will also work with consumer advice providers outside the Partnership to ensure all advice is consistent and accurate. This will help ensure consumers are clear about their rights.

Car Rental

- 1.28. As consumers, we often take the opportunity to rent a car. This might be for a trip out into the countryside, or perhaps for work or pleasure in mainland Europe. For most people, car rentals are problem free, however things can and do go wrong, causing a great deal of financial and emotional distress.
- 1.29. The car rental industry generates a significant amount of money. The UK car rental transactions accounted for £1.2 billion in 2012³, while it has been estimated

³ Euromonitor International (2013) Car rental in the United Kingdom, at p6. The figure of £1.2 billion includes only vehicles rented within the UK. It does not include rental transactions booked through UK car rental companies for rental outside the UK.

that total revenue across ten important European markets is worth £8.81 billion Euros.⁴

The issue

1.30. The [European Consumer Centre](#) and CMA (using intelligence from the Citizens Advice Consumer Service) have identified some of the main issues affecting consumer in the UK and Europe.

1.31. These included:

- Transparency issues around the total price of rental, rental contract terms and conditions, and fuel policies
- Disputed damage charges including how damage is assessed and how disputes are dealt with
- Additional payments being taken from the consumer's payment card without adequate warning, explanation, or supporting evidence.

CPP Response

1.32. In July 2015, the CMA published [“Short-term car rental in the European Union”](#). This details how the CMA has led a European-wide project to work with five major pan-European car rental companies (who account for over 80% of UK rentals) to make changes to improve transparency over booking, fuel, optional extras, important rental terms and conditions, and card payment authorisations. The companies have also agreed to provide more information about vehicle inspection processes, improve how damage disputes are dealt with, and provide details of key local traffic rules and regulations in the rental country.

1.33. The CMA has also assisted the British Vehicle Rental and Leasing Association (BVRLA) in its review of its code of conduct. The BVRLA is the national trade association for vehicle leasing and rental businesses (representing 700+ member businesses) and its code helps to self-regulate standards across a wide part of the sector. The revised code, which includes standards for transparency and complaint resolution, was launched in January 2016, supported by a stronger governance regime to review members' compliance.

1.34. The CMA plans to carry out a compliance review in 2016; the CPP hopes to play a role in this. This might include an intelligence review and an internet sweep to booking websites to check transparency. The CPP will also launch a consumer awareness campaign on the theme before the start of the 2016 holiday season. This will help consumers avoid some of the common pitfalls around car rental.

⁴ Matrix Insight (2009) Study on business practices applying different condition of access based on the nationality or the place of residence of service recipients, at p11. This figure is based on the total car rental revenue generated in 10 key European markets: Germany, Italy, Austria, Belgium, UK, Netherlands, France, Spain, Portugal and Switzerland.

Mass Marketing Scams

The Issue

- 1.35. 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'.
- 1.36. 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 scams.⁵
- 1.37. Well-known scams include scam lottery mailings, bogus PPI, scam investments, false competition wins, rip-off 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 risk.
- 1.38. Mass Marketing Scams was first identified as a Priority in the CPP's first Priorities Report. Led by the Convention of Scottish Local Authorities and Trading Standards Scotland, 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 NTS's National Scams Team, Royal Mail, and Action Fraud to produce a holistic, joined up action plan to tackle scammers and support potential and actual victims. Throughout 2015 Trading Standards Scotland has continued to monitor the group's action plan to ensure that stakeholders continue to play their part to protect consumers and reduce detriment.

Update

- 1.39. Across the United Kingdom agreements have been made for Royal Mail to work with Trading Standards to help postal staff spot and report suspect post.
- 1.40. 16 out of the 31 Scottish local authorities have delivered training so far, resulting in 923 staff being trained; and 308 suspected victims identified. Many of these local authorities have agreed to deliver further training to additional sorting offices in the coming months. Royal Mail is looking to get as many postal staff as possible trained through a streamlined programme. The project has provided a platform allowing Trading Standards, social work and Police in Scotland to work closely with potential victims - ensuring that they have access to support they may require to reduce and prevent financial harm. To date 544 pieces of mail containing cash,

⁵ [National Fraud Authority "Annual Fraud Indicator 2013"](#)

cheques, or postal orders have been seized. Local Trading Standards offices are in the process of returning the money to their owners.

- 1.41. In England the National Trading Standards Scams Team has delivered 42 training sessions resulting in 2705 Royal Mail staff trained nationally. The Scams Team's work has led to just under 300,000 potential victims being identified, while 169 local authorities (80% of all local authorities) have signed up to support local victims, helping them to break the cycle of repeatedly falling victims to scams. In the first six months of 2015/16, a total of £13,435,888 in savings to consumers has made through returning money to victims, or through disrupting mass marketing mail operations.
- 1.42. The NTS Scams Team actively engages with national partner agencies to identify scams and support victims. Partners include the Police, Royal Mail, several other mail service providers, National Fraud Intelligence Bureau, Financial Fraud Authority, Citizens Advice, Information Commissioner, the Home Office and Think Jessica, Age UK, the Pensions Regulator, the Office of the Public Guardian and the British Bankers Association and more recently Neighbourhood watch, the Welsh Older People's Commissioner, MoneyGram, PhonePayPlus and the Committee of Advertising Practice.
- 1.43. NTS Scams Team's international partnerships are also thriving. Work with the Federal Trade Commission in America continues and representatives from the Commission visited the Team in September. The Team has also been working with the International Mass Marketing Fraud Group to develop better data sharing and joint investigations. In Canada, the Vancouver Police Department has signed up for information sharing; and the Team has established a direct link with Dutch Fraud authorities around the closing of mail boxes and assisting with ongoing enquiries into specific companies.
- 1.44. In Northern Ireland, the Department for Enterprise, Trade, and Investment (DETI) are also actively working with Royal Mail to reduce the harm caused by mass marketed postal scams. DETI has also undertaken considerable educational work with Social Workers, Carers, and Dementia Groups to help them identify a scam victim. This has already proven to be very worthwhile with scam victims being identified by care workers so that support can be given. Resulted to Trading Standards has then enabled Officers to provide victims one to one advice, helping them to break the chain of responding to scam mail.

Use of Personal Data

- 1.45. The Partnership had noted that 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.
- 1.46. In light of this, Citizens Advice took work forward to empower consumers over use of their personal data, as well as be better able to exercise their privacy and control. The work culminated in the publication of "[Personal Data Empowerment: Time for a Fairer Data Deal?](#)"

- 1.47. There is also evidence to suggest that there are personal data issues surrounding the sales of mobility and medical aids. It is unclear how the companies selling these obtain the detailed consumer data which allows them to target their sales. TSS and NHS Scotland are working together to explore how this personal data has become available.
- 1.48. The CPP will continue to monitor the above consumer issues, alongside current and future areas of concern.

Raising the Profile of CPP Work for the Benefit of Consumers

- 1.49. In 2015, the Partnership used key consumer awareness events to promote important messages to help consumers know their rights, and avoid falling prey to sharp practices and scams from rogue traders.

Scams Awareness Month 2015

- 1.50. Scams Awareness Month was held in July 2015 following a launch at the Chartered Trading Standards Institute's Annual Conference under the campaign slogan "Don't Be Rushed, Don't Be Hushed".
- 1.51. The campaign was divided into weekly themes, all of which were current or previous CPP priorities:
- Week 1 - Telephone Scams
 - Week 2 - Online Scams
 - Week 3 - Postal Scams
 - Week 4 - Doorstep Scams
- 1.52. The aims of the campaign were to:
- Help people to recognise the tell-tale signs of a scam, via phone, online, mail or face to face.
 - Develop consumer confidence to take time to make the right decision.
 - Create a culture of information sharing via formal and informal networks to increase knowledge and dispel the sense of shame and secrecy that surrounds scams.
- 1.53. Prior to and during Scams Awareness Month, the CPP worked collaboratively to coordinate work to share messages, helping to steer consumers, and their family and friends away from scams designed to part them from their money. Intelligence sharing between Citizens Advice and other members of the Consumer Protection Partnership (CPP) was essential in agreeing the main themes for SAM15.

Interviews with CPP partners suggested that launching SAM15 at the CTSI's conference on 2 July had benefits for all partners and avoided the costs of a separate launch event.

- 1.54. At a local level more Trading Standards services and local Citizens Advice worked in partnership on SAM15 than in the two previous years, with 51% of all local campaign activities delivered by the two organisations in partnership. More local consumer and enforcement organisations outside the Citizens Advice and trading standards networks also united to fight scams: this year saw a 45% increase in their number, with police forces noticeably more involved.
- 1.55. Two local pilot projects in Broxstowe and West Berkshire also saw Citizens Advice working closely with NTS and the Royal Mail to prevent mail scams. A combined 85,000 postcards carrying warnings and advice about reporting mail scams were distributed door--to--door in Broxtowe, Nottinghamshire and Newbury and West Berkshire. Work Time Listening and Learning training was delivered by NTS staff to Royal Mail staff at 9 Delivery Offices during July in order to raise awareness of potential victims of mail scams amongst local postal staff in the two areas: 522 frontline staff received training. Richard Benyon MP helped launch the initiative at Citizens Advice West Berkshire and Anna Soubry MP and Minister for Small Business, Industry and Enterprise, which includes responsibility for post, at Citizens Advice Broxtowe. Representatives from NTS and the Royal Mail attended both launch events.
- 1.56. As a result of this initiative, there was a 69% increase in scams reported to West Berkshire trading standards by a variety of sources compared with the same quarter of the previous year. The number of scams reported to local Citizens Advice in the Broxstowe area and West Berkshire areas of the SAM15 mail drops were respectively 50% and 15% higher in July compared to June 2015.
- 1.57. Citizens Advice also worked intensively in advance of SAM15 to ensure that its campaign content reflected the objectives of [Project Bloom](#), a multi-agency campaign to combat pension and investment fraud co-ordinated by the Department of Work & Pensions to involve the Pensions Regulator, the Pensions Advisory Service, Money Advice Service, Financial Conduct Authority, Serious Fraud Office, HM Revenue & Customs, Action Fraud, City of London Police and the Information Commissioner's Office (ICO). The first week of SAM15 focussed on pensions and investment scams, with a particular emphasis on such scams taking place over the telephone. Social media developed for this week specifically promoted Project Bloom messaging and partners.
- 1.58. The joint press release developed by Project Bloom partners with quotes from Baroness Altman for the Department of Work & Pensions, the National Crime Agency, the Pensions Regulator, Financial Conduct Authority, Citizens Advice and the Pensions Advisory Service was featured in six national newspaper articles with an article in the Sun newspaper having an estimated reach of 1,858,067.
- 1.59. Subscriptions traps, which often con consumers using free trials as bait, was a CPP priority for the year and a leading theme of internet scams week of Scams Awareness Month. Citizens Advice and the National Trading Standards eCrime

Team joined up to create impactful social media content promoting their knowledge and insight under the event's slogan "Don't Be Rushed, Don't Be Hushed". As a result the eCrime Team Twitter page attracted 50% more followers than the normal weekly total. The eCrime Team was also followed by a significantly higher number of police accounts, including both individual police officers and police service accounts – showing that the police were listening to CPP messages. Links to NTS advice hosted on the Citizens Advice SAM15 campaign webpages were clicked on by 32,130 people.

- 1.60. Building on the messages of SAM, consumers took control to reduce unwanted contacts which may have exposed them to scammers. During online scams week the most popular tweet Citizens Advice posted was about the Telephone Preference Service (TPS). The TPS subsequently reported a file count rise of more than 100,000 during SAM15 the second highest monthly rise of the year.

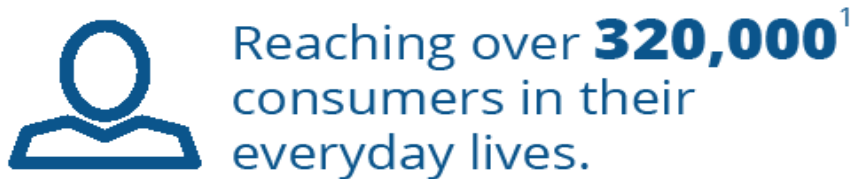
Image 2: Citizens Advice Tweet about reducing unwanted phone calls



- 1.61. The impact of SAM15 was also demonstrated across a number of the other partner organisations involved in the campaign: over the course of the campaign 15% more people reported scam concerns to the Citizens Advice Consumer Service; 9% more possible victims were referred to Action Fraud by the Consumer Service; and 17,833 people reported nuisance calls and texts to the Information Commissioner's Office (ICO), 36% higher than in the previous month.

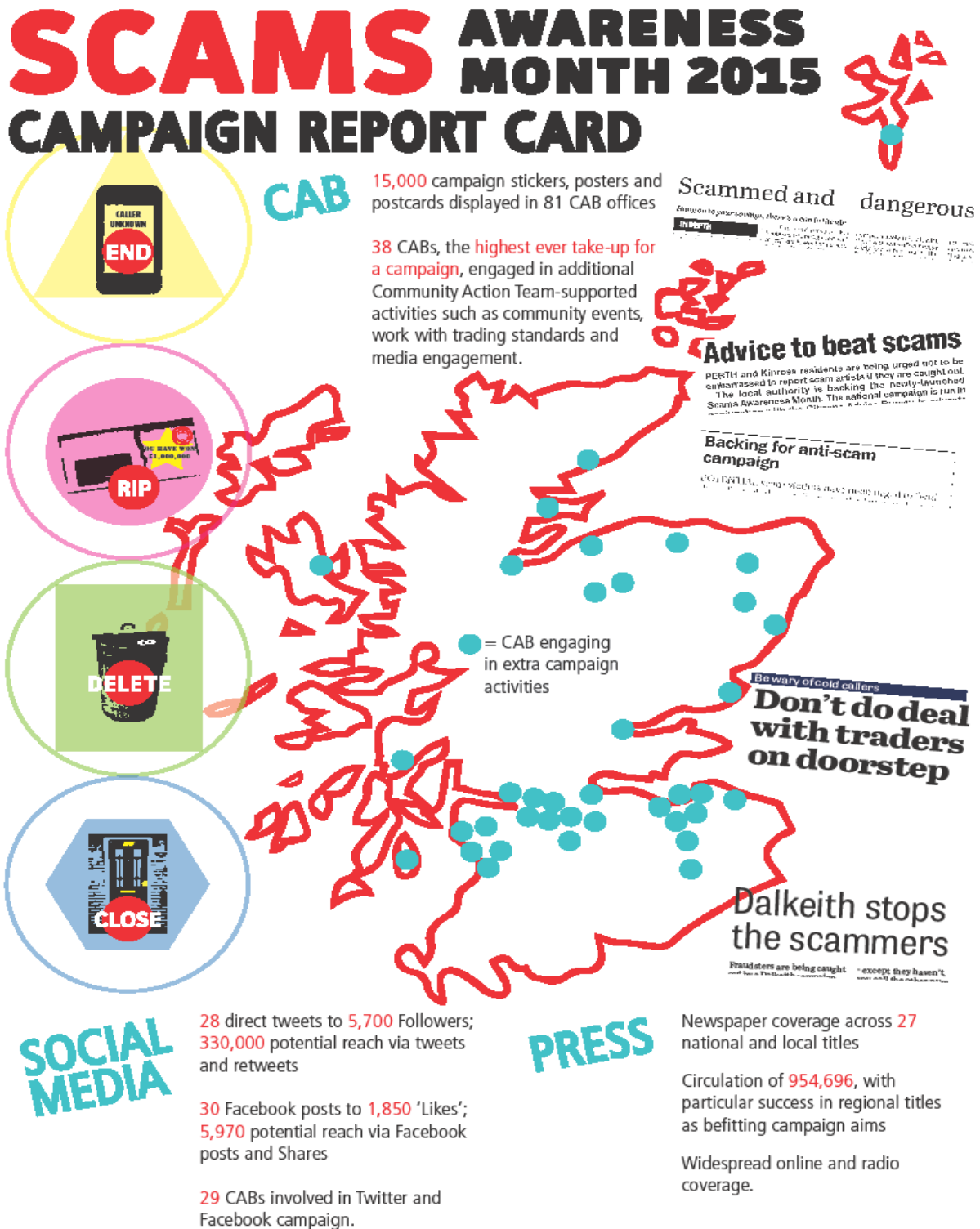
Image 3: Key Activities during Scams Awareness Month 2015:

Scams awareness month 2015 by numbers



¹ 324,617 consumers based on projections from evaluation returns.

Image 4: Scams Awareness Month in Scotland



1.62. Citizens Advice estimate the **financial benefit to consumers** from increases in enquiries to the Consumer Service over the month of the SAM15 campaign was **£1,000,324**

National Consumer Week 2015

- 1.63. **National Consumer Week 2015** aimed to promote the use of new consumer rights that were brought into force through the Consumer Rights Act on 1 October 2015.
- 1.64. The “Know your New Rights” campaign launched on 2 November 2015, and was a Partnership led campaign with the Citizens Advice Service, Chartered Trading Standards Institute, Trading Standards Scotland, and National Trading Standards taking a leading role following months of planning by the CPP Communications Team.
- 1.65. The aim of the campaign was to build on and reinforce those messages which BIS had communicated alongside the launch of the Consumer Rights Act on 1st October 2015 using simple messaging to both consumers of their new rights and to businesses so they could ensure they understood their compliance obligations under the new Act and for both where to go to find out more information.

Image 5: National Consumer Week 2015 in numbers



Image 6: National Consumer Week 2015 in Scotland

TOUGH ACT TO FOLLOW? REPORT CARD

Campaign period:
02/11/15 to 10/12/15










CABs

15,000 'rights cards' and 3,750 posters issued via CABs, trading standards and other networks. In addition, all posters made available online.

39 CABs undertook extra campaigning activity under the Community Action Team's fast grant scheme - a record number. Included in their activities were 41 events, 27 link-ups with local organisations and 15 talks and presentations. CABs also engaged with print and social media locally.

59 volunteers and 30 staff participated in seven Consumer Rights Act workshops as part of a training programme spearheaded by the Highland Consumer Partnership.

PRESS

Stories across 11 national and local titles, reaching a circulation of 176,433

SOCIAL MEDIA

100,000 people reached via Facebook adverts at a cost of just £250.

26 Facebook posts with a potential reach of 7098.

29 direct tweets to 6,220 Followers, with a potential reach of 436,600.

WEB

1,161 page views of campaign web page.

5,454 page views of campaign template letters.



- 1.66. Citizens Advice estimate the **financial benefit to consumers** from increases in enquiries to the Consumer Service over the week of National Consumer Week 2015 was **£217,462**

Other preparation for the Implementation of the Consumer Rights Act

- 1.67. The Consumer Rights Act 2015 was the biggest overhaul of consumer law for a generation. The Partnership had previously noted that the Act would not achieve its full impact unless consumers and traders know about the changes to the law.
- 1.68. With this in mind the Citizens Advice Service, CMA, and CTSI have been involved in the BIS led Consumer Rights Implementation Group alongside other stakeholders such as the British Retail Consortium and Money Saving Expert. The Group aimed to help businesses to understand and implement the upcoming changes well before implementation, in order to avoid delay in consumers and businesses benefiting from the new law.
- 1.69. The CTSI Business Companion website is the primary source of business guidance. It provides high level advice and short guides focusing on the key changes, which will be aimed at Small and Medium Enterprises (SMEs). Businesses can also use the Companion to delve deeper into the detail of the law on a particular issue if they wish. The content and presentation of the Business Companion advice was tested rigorously to ensure it met the needs of businesses, particularly SMEs prior to the introduction of the Act. Guidance for consumers has also been produced by Citizens Advice and is available on their website.
- 1.70. A Business Checklist and Consumer Rights Summary was also produced that offer high level summaries of the changed – aimed at business. There are on the Business Companion Website and the Consumer Rights Summary is endorsed by key industry and consumer groups.
- 1.71. Guidance on the unfair terms and private actions elements of the Act were produced and hosted by the Competition and Markets Authority, with summaries available on Business Companion and effective signposting to the more detailed advice.

Celebrating the Reach of National Consumer Week 2014 Messages

- 1.72. **National Consumer Week 2014** had featured the message “Good Neighbours Stop Rogue Traders”. While past consumer campaigns have often been directed at vulnerable individuals and their close relatives and friends, the aim of NCW 2014 was to encourage wider community involvement in helping to protect vulnerable residents from rogue traders.
- 1.73. The campaign focused on preventing doorstep crime by encouraging friends, family and neighbours to recognize and report signs of doorstep crime. Launched 3 November at the Citizens Advice London Consumer Empowerment Partnership workshop in London, campaign activities took place throughout the week with a strong focus on national, regional and local media and social media efforts.

National Consumer Week exemplified how consumer landscape partners are working together to safeguard consumers.

- 1.74. A collaborative publicity campaign, organised by the CPP alongside Graylings helped National Consumer Week’s messages receive widespread media attention. The campaign featured on ITV’s Good Morning Britain, and Radio 5’s breakfast programme, with a joint audience of over 1 million people. National Consumer Week also received media coverage in the Daily Express, Daily Mirror, the Independent, Which? News, The i and the London Evening Standard.
- 1.75. In recognition of the CPP’s careful collaborative strategic planning to ensure the neighbourhood based anti-doorstep crimes message was as effective and widespread as possible, the campaign won the **Partnership Engagement Initiative of the Year** award at the Public Sector Communications Awards 2015.

Strengthening the Consumer Landscape

- 1.76. CPP members have also taken forward work outside the immediate Partnership, either individually, or in collaboration with other Partners, to strengthen the consumer landscape as a whole. Through this they help ensure that consumers and businesses can benefit from a level playing field, and that rogue traders are tackled.

Strengthening Intelligence Links

- 1.77. Strong, shared intelligence is key to identifying which problems are harming consumers most and could be effectively addressed through a joined up, collaborative response.
- 1.78. An intelligence group has been established to improve intelligence links between Partners. The group is led by the CPP Knowledge Hub and comprises of intelligence team managers and analysis from within CPP members. These meetings are a forum for intelligence teams to discuss CPP-related work and issues within the wider consumer landscape.
- 1.79. Intelligence links and information sharing have also been strengthened through the development of a new newsletter so that people within Partners organisations are well informed about each other’s activities, and can take steps to join up work where this could be beneficial for consumers. The newsletter also shares relevant statistics and highlights recently and upcoming publications by CPP members.
- 1.80. Also outside the Partnership, the Citizens Advice Service, National Trading Standards, and Trading Standards have also worked to strengthen their data collection and intelligence. Citizens Advice has reviewed the way it codes cases in the Citizens Advice Consumer Service in order to make the information collected more helpful to Partners. National Trading Standards are fostering intelligence building opportunities with the National Fraud Intelligence Bureau, while Trading Standards Scotland is exploring similar opportunities at the Scottish Crime Campus. This provides a focal point for excellence in intelligence-sharing,

operational activity, evidence gathering and forensic science to combine and strengthen collaborative work.

- 1.81. The CPP Knowledge Hub has worked with stakeholders outside the Partnership to support consumers. In June 2015 the Partnership submitted intelligence to the Law Commission as part of their review on consumer detriment from prepayments. The work summarised Citizens Advice’s data on the topic, and was well received, strengthening links between the Commission and Citizens Advice. The work was also used as the basis for Citizens Advice’s report [“Last in line: An assessment of consumer protection in the event of retailer insolvency”](#) which suggested a number of ways in which consumer protection could be strengthened.

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

- 1.82. The CMA represents the United Kingdom on the International Consumer Protection and 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.
- 1.83. The UK is current President of ICPEN. The CMA has used the presidency to look for opportunities to help CPP Partners to engage more effectively with international networks and organisations. In turn this will improve information sharing and collaboration on joint projects to help better protect UK consumers.
- 1.84. Many CPP Partners attended a Best Practice Workshop that we held in Manchester in October. Partners attended a second event on 27 January 2016 with international colleagues, to enhance understanding about how to use international tools and networks to tackle cross-border issues affecting UK consumers. The event aimed to facilitate greater collaboration and coordination for UK landscape partners across international networks such as ICPEN and the Consumer Protection Cooperation network within the EU.
- 1.85. CPP Partners were also invited to attend sessions at the annual ICPEN conference in London in April. The sessions including a discussion on “Achieving Compliance and Change with Impact” and “Keeping Pace with a Changing Environment”. The aim of the sessions was to share innovative ideas and inspiration on how consumer protection authorities can better deliver their work.

A Stronger Consumer Landscape

- 1.86. Membership of the Partnership has strengthened the consumer landscape through providing the opportunities and channels for improved relationships and joined up work. It has enabled Partners to share ideas and thoughts to identify areas of common interest, outside the CPP’s immediate priority areas. In turn, this has helped to build trust and understanding between organisations as they work together to address key consumer issues. Membership of the CPP has allowed

Partners to strengthen links where they previously existed, while enabling some Partners to forge new links with each other.

Parking in Scotland

- 1.87. Complaints from consumers about charges for parking on private land have increased dramatically making it one of the most common consumer complaints to Citizens Advice Bureaux and the CAS Consumer Helpline. Citizens Advice Scotland had noted four key problem areas within private-land parking sector: Unclear or potentially **unfair terms in signage**; **High penalties** comparative to parking charges; **unresponsive appeals mechanisms**; use of **legal threats** to harass clients.
- 1.88. Following the [It's Not Fine Campaign](#), TSS have been working with CAS and Local Authorities to consider appropriate enforcement actions against those traders that pursue charges unfairly. Examples include private parking firms that seek payment despite insufficient signage; or pursue exorbitant charges; or where incorrect legislation is quoted and the registered keeper is being pursued without sufficient evidence. A working group consisting of TSS, CAS and Local Authority Trading Standards has been formed and will co-ordinate a national project on the issue in 2016/17.

Social Work Scotland Conferences

- 1.89. Trading Standards Scotland use the Social Work Scotland annual conference to highlight areas of concern, such as doorstep crime and scams to social workers and other social work professionals. This helps social workers to spot victims and take appropriate action.

Unsafe Hoverboards

- 1.90. In the run up to Christmas, NTS and CTSI [spread important messages](#) about dangerous hoverboards. Officers from National Trading Standards Safety at Ports & Borders Teams and Trading Standards services in Scotland detained over 15,000 of the boards – a ‘must-have’ on Christmas last year – due to a range of concerns, such as safety issues with the plug, cabling, charger, battery or the cut-off switch within the board, which often fails. Many of the items detained were found to have noncompliant plugs without fuses, which increases the risk of the device overheating, exploding or catching fire.
- 1.91. Safety messages were picked up by Channel 5 News, BBC Radio 5 Live, BBC Breakfast, BBC World Business, and BBC Radio 4. Citizens Advice supported the campaign, reaching over 2,700 newsletter recipients and 23,518 internet impressions through Twitter. As a result of campaigning such as, online retailer Amazon banned the sale of hoverboards lacking the necessary proof that they were safe for use.

Credit Brokers and Payday Loans

- 1.92. Similar collaborative work has been undertaken to tackle issues within the credit broker and payday loan industries. This was a growing issue which had come to the attention of both Citizens Advice and Citizens Advice Scotland. In March 2014, Citizens Advice told the FCA that they were seeing increasing numbers of cases about credit brokers and in early August 2014 it provided an analysis of 1,500 cases to the FCA detailing the consumer detriment caused by brokers.
- 1.93. In August 2014 CAS published a short report, "[The Real Deal: No credit and broke](#)", which detailed some of the case evidence that CAS had received from consumers regarding the practices of mostly online credit brokers acting on behalf of payday lenders. The evidence highlighted a number of serious issues regarding the passing of personal details between brokers, refusal of brokers to provide refunds when clients were entitled and misleading advertising making it unclear that the brokers were third parties and not lenders themselves. Following publication Citizens Advice Scotland collaborated with the FCA by providing the details of seven credit brokers responsible for almost half the number of complaints made to the Citizens Advice Consumer Service.
- 1.94. The information provided by Citizens Advice and Citizens Advice Scotland enabled the FCA to take action with the effect significantly reducing consumer detriment reported to the service in both cases. The FCA wrote to Citizens Advice thanking them for their intelligence, "The recent issue of credit brokers... has highlighted exactly how beneficial your insight and information is to our organisation. Without that, we would not have had such a complete picture of how serious an issue the fees charged by brokers in the HCSTC and other markets are, as well as their other activities. However ... this is now an issue that the FCA is addressing on a cross-organisational basis. This sort of intelligence and information sharing is paramount to the FCA and we are grateful for you having raised it in the first place". This is an excellent example of how joined up work between three different Partners has strengthened consumer protection.

Tackling Investment Fraud

- 1.95. NTS and the FCA have actively participated in a drive by City of London Police, which is home to Action Fraud and National Fraud Intelligence Bureau, to create a hostile environment for investment fraudsters. They have worked alongside the Police, HMRC, and local Trading Standards to identify both virtual and serviced premises from where fraudsters are operating.
- 1.96. Between October 2013 and September 2014 more than £1.73 billion was reported to Action Fraud that had been lost to fraudsters by 5252 investors across the UK, lured into handing over anything from a few pounds to several hundreds of thousands of pounds. Coordinated planning led to a London-wide clamp down in a "day of action" on suspected investment frauds operating out of some of the capital's most iconic buildings in the heart of the UK's main financial districts. The multi-agency taskforce discovered 17 serviced offices they suspected of being involved in some sort of investment scam. The 'day of action' also raised awareness amongst office workers of the warning signs of criminal groups carrying out investment scams in their buildings and places of work.

Joined-up Local Partnerships

- 1.97. Collaborative consumer protection is not just at a national level. All calls to the Citizens Advice Consumer Helpline are recorded onto a database which all local Trading Standards services have access to. Over 1.2 million consumers use the Helpline service annually, allowing enforcement agencies to spot threats to consumers and act on them, tackling the perpetrators of fraud, scams, and sharp practices.
- 1.98. Additionally, some Citizens Advice and Trading Standards services collaborate together to strengthen consumer protection through partnership working in local areas. An example of this is East Riding of Yorkshire Council Trading Standards and East Riding Citizens Advice, who hold regular joint surgeries. Here, consumers can book appointments to receive help and advice on a range of topics such as general consumer advice, consumer safety, consumer credit, protecting vulnerable consumers, fair trading, and weights and measures.
- 1.99. A further example is the Highland Consumer Partnership (HCP) which aims to build closer links between Highland Citizens Advice Bureaux and Highland Trading Standards. The HCP provides a flexible network for information sharing and campaign work across Highland with the aim of reducing consumer detriment and encouraging fair trading.

Strengthening Enforcement

- 1.100. Enforcers within the Partnership have collaborated with each other, and other stakeholders outside the CPP to tackle consumer issues and strengthen effectiveness against rogue traders and provide greater protection for consumers.
- 1.101. National Trading Standards has this year moved to tackle criminality and non-compliance of law at fulfilment houses. There was evidence to suggest that there was major tax avoidance taking place by some at fulfilment houses. HMRC were engaged from the beginning of the work and have taken an active part in the resulting enforcement. During the enforcement action IT equipment has been seized and examined. A number of cases where large amounts of VAT fraud have been identified for possible further HMRC action.
- 1.102. National Trading Standards Safety at Ports Teams has built strong and sustainable relationships with the UK Border Force and HMRC. The Team has played a major part in “One Government at the Border” work being led by HMRC. The Team’s unique skills experience has enabled them to add value to three strands of work:
- Intelligence sharing & dissemination,
 - Data collection and analysis; and
 - Joint working at the border.

- 1.103. The Teams continue to represent the UK at the European Union Expert Working Group on border controls as well as helping the Health and Safety Executive, National Measurement Regulation Office, Medicines and Healthcare Products Regulatory Agency, Department for Communities and Local Government, Department for Environment, Food and Rural Affairs, and The Office of Communications, as well as Trading Standards regional groups. Working together, the groups are better able to prevent harm than they would in isolation.
- 1.104. Meanwhile, Trading Standards Scotland continues to work closely with the FCA to tackle illegal money lending. They have influenced the FCA approach to auditing home credit providers as a result of their own enforcement actions. Here, an issue arose where an agent of the home credit company was operating an illegal parallel lending business. The FCA is now considering implementing spot audits of home collection agents to ensure that they are operating in a legitimate manner. Citizens Advice have also worked with National Trading Standards to ensure their debt advisors are better identifying and reporting loan sharks so that they can be stopped from preying on vulnerable consumers.

2. CPP Areas of Concern - 2016

- 2.1. The CPP selected areas of concern for 2016 based on information collected and analysed through its Knowledge Hub alongside proposals from partners.

Consumer Redress in the Electronic Goods Sector

The Issue

- 2.2. For most consumers, making a purchase will be straightforward and hassle free. However sometimes things do go wrong. Research conducted by Which? found that the top reason for consumers making returns was faulty goods. One in five people claimed a refund, returned or exchanged a product in the last year for being faulty. The research found that around four in ten people said they had returned a product they had bought online last year, with a similar percentage saying they had returned a product they had bought in store. When it comes to consumers returning faulty goods more than half doing so last year were returning electrical items like mobile phones, laptops, and dishwashers.⁶ Citizens Advice estimates the average loss per affected consumer to be £415.
- 2.3. Consumers and retailers are not always clear on who is responsible for providing redress, with retailers incorrectly referring consumers to manufacturers, and the incorrect remedy being offered. In their report [Calling the Shots](#), Citizens Advice found that of the 21,500 cases that were reported to the Consumer Service about mobile phones, 39 per cent related to faulty handsets and confusion over who is responsible for fixing the device.

CASE STUDY

A client of the Citizens Advice Consumer Service recently bought a drill. After 5 months of normal use it became faulty.

The trader who sold the drill sent it back to the manufacturer for repair. The manufacturer said it couldn't find anything wrong with the drill. This process happened 4 times in total; each time the trader sent the drill back for repair the manufacturer said there was no findable fault. Eventually the manufacturer replaced the gear box of the drill at which point the drill stopped working altogether.

The client wants a replacement for their drill and at this point came to Citizens Advice to know their rights. All in all this case cost the client £600.

⁶ <http://www.which.co.uk/news/2016/01/faulty-goods-still-a-headache-for-consumers-430338/>

- 2.4. A mystery shopping exercise conducted by Which?⁷ in late 2014 raised concerns that customers are sometimes misled about their rights when goods are faulty. The research focused on a number of national electrical goods retailers. Specifically, Which? claimed that many mystery shoppers were told that once a product is out of the manufacturer's own warranty, any repair would be chargeable.
- 2.5. Apart from the significant inconvenience experienced by the consumer, especially where the product in question is viewed as an essential good, there is also scope for consumers to suffer financial detriment. This could include instances where consumers prematurely purchase a replacement product due to delays / frustration in obtaining the correct redress or pay for a remedy that they are already entitled to. Alternatively if the consumer has a separate payment contract for the goods, for example a mobile phone, they may continue to pay for a service even though it is impossible to access that service.
- 2.6. We want consumers and retailers to be aware of their rights and responsibilities. Seeking redress shouldn't be confusing.

Scam Calls

The issue:

- 2.7. Scam calls are a large problem in the UK and often target the most vulnerable people in our community. We want to reduce the number of people being affected by telephone scams.
- 2.8. Scam calls offering lucrative returns on investments including fine wine and precious jewels are designed to dupe consumer into parting with large sums of cash. Citizens Advice estimates the average loss per affected consumer to be £1461. Elderly victims may be more susceptible to scam calls due to feeling of loneliness and isolation. Aside from financial losses, a high number of scam (and nuisance) calls can increase the risks of trips and falls caused by a rush to the phone, and health problems such as anxiety. Scam calls increasingly associated with doorstep crime following the initial telephone call to the consumer. As with mass marketing scams, in extreme cases victims may cut themselves off from their families as a result of constant scam calls.
- 2.9. The impact of a vulnerable elderly victim being scammed will place heavy costs on the public purse in the long term, including premature entry into full residential care and long term health problems.

⁷ <http://www.telegraph.co.uk/finance/personalfinance/money-saving-tips/11296784/Shops-accused-of-denying-six-year-warranty-right.html>

CASE STUDY

A client of the Citizens Advice Consumer Service recently received an unsolicited telephone call from a “dispatch team” regarding a personal injury claim the client had made. The caller stated that the client had been awarded over £3000 and that they would be delivering a cheque to the client, asking when would be good to do this. The caller then asked for £317 pounds in advance in the form of an Ukash voucher, at which point the client became suspicious about the call and hung up.

Had the client accepted and paid they would have lost this money and likely ended up on a “suckers list” to be targeted by more scams.

- 2.10. It is currently difficult to collate accurate figures regarding the volume of scams reported relating to scam calls. Different stakeholders use differing terminology and definitions of scams – for example nuisance and scam calls are often categorised together, while other stakeholders do not breakdown “scams” into further categories. However the Citizens Advice Consumer Service dealt with 1500 cases per quarter about scams, while local Citizens Advice dealt with 350 issues concerning scams in Q1 2015/16. Meanwhile, a recent National Trading Standards intelligence report showed that of 4304 intelligence logs, 795 were about telephone scams. Finally, the Financial Conduct Authority deals with around 1000 scam cases per month. These volumes, coupled with the above average level of detriment, suggest that scam calls are responsible for a great deal of consumer harm.

Digital Markets

The Issue

- 2.11. Consumers increasingly use the internet to compare products and purchase goods and services, and they also increasingly provide personal data online. Evidence suggests that consumers also appear to be more trusting when shopping online than when shopping in the high street.
- 2.12. Digital markets have brought considerable benefits for consumers in terms of increased choice, lower costs and more innovation. However, the continued rapid expansion of the internet and increased engagement between consumers and businesses online also raises risks and creates vulnerabilities. Some risks have materialised and others are emerging, as activity in the online and digital environment evolves.

CASE STUDY

A client saw a site on a major social media platform offering free samples of make up with only shipping costs to pay.

They paid for this using a debit card. The sample cosmetics arrived in an envelope (from Cyprus)

One month later the client noticed an unexpected withdrawal from their bank account of £93. The client's bank put a stop on their account and the client sent a letter to the owner of the social media advert instructing them to stop debiting the client's account and to stop any more deliveries and stop any more samples. They had no reply to this letter.

The client found comments from other affected consumer on social media that other complaining customers were told by the company that they are merely a forwarding company, that they don't handle any goods, don't handle any payments or monies and they suggested that discontented customers should revert to the site that they originally placed the order with. The client then contacted her local Trading Standards who responded that they don't have the resources to investigate the matter and referred them to the Citizens Advice Consumer Service.

- 2.13. The UK leads the way with 13.5% of our retailing being undertaken online (vs 11% in the US and 9.7% in Germany, with a European average of 7.2%). The average UK household will spend over £2,000 online this year, reflecting a growth in online sales of over 13%. In 2012, for the first time, more than £1bn was spent on downloaded films, music and games in the UK.⁸ Meanwhile, streaming and storage industries have continued to grow in recent years.
- 2.14. By way of example of the issues encountered by consumer online, between 1st April 2014 and 30th June 2015, the Citizens Advice Consumer Service recorded 7756 cases mentioning/ involving digital markets on social media platforms including 43 where the platform was the trader, 1247 cases regarding online games, 357 cases regarding video and music streaming services, 261 cases regarding online bidding services, and 28 cases regarding cloud storage. Citizens Advice estimates the average loss per affected consumer to be £253.
- 2.15. The Consumer Protection Cooperation (CPC) network within the EU has identified social media as a common activity area, based on intelligence and concerns identified by each member state. This work will be facilitated by the Commission

⁸ <http://www.bbc.co.uk/news/uk-20885506>

and will involve those member states who wish to be involved working collaboratively to achieve outcomes within each member state in line with an agreed common position. The CPC has yet to define the exact focus of this project, but the two areas most likely to be covered by this programme of work are: unfair terms in consumer contracts with social media platforms; and an action framework for agreeing protocols for social media platforms to remove illegal content.

- 2.16. A key issue related to digital markets is parcel delivery. Following roundtables hosted by the Minister of State for the Department for Business, Innovation and Skills in 2015-16, the Consumer Council for Northern Ireland and Citizens Advice Scotland are working on issues regarding deliveries to more remote areas of the UK. This includes highlighting the legal obligations to eRetailers to ensure greater levels of compliance.

Ticketing Scams and Resales

The Issue

- 2.17. Consumers are often willing to pay substantial amounts of money in order to see their favourite bands play, watch the sports team they support, or attend a “once in a lifetime” international event or competition. It is important that consumers have trust in the secondary market, but unfortunately things can and sometimes do go wrong – with the average loss estimated at £343 by Citizens Advice.
- 2.18. Between April 2014 and July 2015 the Citizens Advice Consumer Service received 1669 complaints about various aspects of the ticketing industry and sales. From this, the CPP has identified two issues of concern:
- The selling of fake or non-existent tickets for events by both individual sellers and companies.
 - The harvesting of tickets on a large scale by people to place on secondary ticketing platforms for resale to consumers at inflated prices due to high demand. This skews the primary tickets market, driving up prices and at restricts access to the primary market for the average consumer.

CASE STUDY

A client of the Citizens Advice Consumer Service wanted to buy some tickets for the Rugby World Cup in 2015. They found a website which offered to sell tickets. The client spent £3,288 pounds on tickets for the matches they wanted. The tickets never turned up.

After struggling to contact the company by phone and email the client was eventually promised a refund. This was never paid and the company landline, website and email address and were taken offline shortly afterwards.

- 2.19. National Trading Standards has already taken some action in this area following the sale of counterfeit and duplicate tickets being identified as a national enforcement issue. This resulted in targeted enforcement action at a major UK entertainment venue.
- 2.20. The Consumer Council for Northern Ireland has also published a factsheet for consumers to highlight their rights when buying tickets and how to avoid becoming a victim of fraud. The factsheet is available: [here](#)
- 2.21. Alongside CPP concerns, the Government has announced a Secondary Ticketing Review Chaired by Professor Michael Waterson, focusing on the secondary ticket market for re-sale of tickets for UK sporting, entertainment and cultural events.
- 2.22. The Review is analysing evidence from the current UK market and elsewhere of the effectiveness of consumer protection measures in the online ticketing marketplace. The Review will also consider how well the consumer is being protected by existing legislation, including the Consumer Rights Act 2015, by voluntary measures, or by the actions of interested parties such as credit card issuers. It also seeks to understand how the interaction with the primary market affects the availability, pricing and fair trading of valid tickets. The Review will report on 26th May 2016.

Next Steps

- 2.23. The CPP will consider how it can best tackle the above areas of concern, and take action to protect consumers. This might be through an individual Partner taking action or collaborative work involving those best placed to make a difference inside and outside the Partnership.
- 2.24. The CPPs next Report, due in April 2017 will highlight progress in tackling these issues alongside any new areas of concern which emerge over 2016/17.

Annex A – Background to the CPP’s Creation - 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”.⁹

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 Chartered Trading Standards Institute (CTSI) launched their successor to the OFT’s Consumer Code Approval Scheme in June 2013.
- CTSI became responsible for most business-facing education from April 2013.

⁹ Public Accounts Committee [“Protection Consumers – The System for Enforcing Consumer Law”](#). P5

- National Trading Standards (NTS) 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, to prioritise and coordinate national and cross-local boundary enforcement in Scotland.
- 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 Chartered 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 – Citizens Advice Service recommendations on Subscription Traps

To help alleviate the detriment caused by subscription traps we have made seven recommendations:

1. Companies or websites that receive complaints from their customers in relation to associated subscription trap pop-ups should consider placing notifications or banners on their websites warning of malicious adverts and distancing their brand from the subscription traps.
2. EU and UK law should require any terms and conditions to have the most important information clearly summarised on the first page. This should include any obligation on the consumer to pay something to the trader, describe the length of any subscription that is being agreed to and explain clearly how to cancel such arrangements.
3. Companies offering trial periods for subscription products or services should remind consumers that they will enter into a binding contract at the end of the trial period. This should be done several days before the end of the trial and should make the cost of the subscription clear.
4. Banks and card issuers should provide training for their front line staff on cancelling CPAs and then mystery shop them and ensure correct procedure is being followed. Organisations such as the FCA, the British Bankers' Association (BBA) and the UK Cards Association should reinforce this message.
5. All banks, card issuers and the Financial Ombudsman Service should consider whether the terms and conditions offered by companies comply with the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 and the Consumer Protection from Unfair Trading Practices 2008 when handling consumer complaints relating to disputed subscription payments.
6. The FCA should produce specific guidance for banks and card issuers on how to deal with disputed recurring payments. This should outline the circumstances in which consumers are entitled to a full refund and could be included in the FCA Banking Conduct of Business Sourcebook (BCOBS).
7. Payment service providers should consider notifying consumers when they first become aware that a CPA has been set up. This would be for information only and would allow the consumer to take action if they disputed the payment/authorisation.



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BIS/16/162