Response ID ANON-N31T-5NCF-J

Submitted to Reforming Competition and Consumer Policy
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About you

What is your name?

Name:
[redacted]

What is your email address?

Email:
[redacted]@appreciategroup.co.uk

What is your organisation?

Organisation:
Appreciate Group

Are you happy for your response to be published?

Yes

Would you like to be contacted when the consultation response is published?

Yes

Consumer Rights

30 Do you agree with the description of a subscription contract set out in Figure 8 of this consultation? How could this description be improved?

Not Answered

Please expand on your answer here.:

31 How would the proposals of clarifying the pre-contract information requirements for subscription contracts impact traders?

Please respond here.:

32 Would it make it easier or harder for traders to comply with the pre-contract requirements? And why?

Not Answered

Please expand on your answer here.:

33 How would expressly requiring giving consumers to be given, in all circumstances, the choice upfront to take a subscription contract without autorenewal or rollover impact traders?

Please respond here.:

34 Should the reminder requirement apply where (a) the contract will auto-renew or roll-over, at the end of the minimum commitment period, onto a new fixed term only, or (b) the contract will auto-renew or roll-over at the end of the minimum commitment period?

Not Answered

Please expand on your answer here.:

35 How would the reminder requirement impact traders?

Please respond here.:

36 Should traders be required, a reasonable period before the end of a free trial or low-cost introductory offer to (a) provide consumers with a reminder that a “full or higher price” ongoing contract is about to begin or (b) obtain the consumer’s explicit consent to continuing the subscription after the free trial or low cost introductory offer period ends?

Not Answered

Please expand on your answer here.:

37 What would be the impact of proposals regarding long-term inactive subscriptions have on traders' business models?

Please respond here.:

38 What do you consider would be a reasonable timeframe of inactivity to give notice of suspension?

Please respond here.:

39 Do you agree that the process to enter a subscription contract can be quicker and more straightforward than the process to cancel the contract (in particular after any initial 14 day withdrawal period, where appropriate, has passed)?

Not Answered

Please expand on your answer here.:

40 Would the easy exiting proposal, to provide a mechanism for consumers that is straightforward, cost-effective, and timely, be appropriate and proportionate to address the problem described?

Not Answered

Please expand on your answer here.:

41 Are there certain contract types or types of goods, services, or digital content that should be exempt from the rules proposed and why?

Not Answered

Please expand on your answer here.:

42 Should government add to the list of automatically unfair practices in Schedule 1 of the CPRs the practice of (a) commissioning consumer reviews in all circumstances or (b) commissioning a person to write and/or submit fake consumer reviews of goods or services or (c) commissioning or incentivising any person to write and/or submit a fake consumer review of goods or services?

Not Answered

Please expand on your answer here.:

43 What impact would the reforms mentioned in Q42 have on (a) small and micro businesses, both offline and online (b) large online businesses and (c) consumers?

Please respond here.:

44 What 'reasonable and proportionate' steps should be taken by businesses to ensure consumer reviews hosted on their sites are 'genuine'? What would be the cost of such steps for businesses?

Please respond here.:

45 Should government add to the list of automatically unfair practices in Schedule 1 of the CPRs the practice of traders offering or advertising to submit, commission or facilitate fake reviews?

Not Answered

Please expand on your answer here.:

46 Are consumers aware of businesses using behavioural techniques to influence choice that affect their purchasing decisions? Is this a concern that they would want to be addressed?

Not Answered

Please expand on your answer here.:

47 Do you think government or regulators should do more to address (a) 'drip pricing' and (b) paid-for search results that are not labelled accordingly, as practices likely to be breached under the CPRs?

Not Answered

Please expand on your answer here.:

48 Are there examples of existing consumer law which could be simplified or where we could give greater clarity, reducing uncertainty (and cost of legal advice) for businesses/consumers?

Not Answered

Please expand on your answer here.:

49 Are there perverse incentives or unintended consequences from our existing consumer law?

Not Answered

Please expand on your answer here.:

50 Are there any redundant or unnecessarily burdensome requirements to provide information or other reporting requirements, which burden businesses disproportionately compared to the benefits they bring to consumers?

Not Answered

Please expand on your answer here.:

51 Do you agree that these powers should be used to protect those using “savings” clubs that are not currently within scope of financial protection laws and regulators?

Yes

Please expand on your answer here.:

As the UK’s leading Christmas Savings’ provider with an estimated 70% share of the market, we support efforts to enhance protection for consumers and maintain confidence in Christmas ‘savings’ schemes.

Through our Park Christmas Savings brand, we help around 400,000 customers every year budget towards the cost of Christmas. At the centre of our approach to ensure our customers’ money is protected, we place their money in an independent trust, and having been doing for the past 15 years.

Following the success of our model, we urge the government to ensure trusts remain a fundamental element in any future legislation of Christmas savings’ schemes.

The seeds of our approach were planted in the aftermath of the collapse of Farepak and the reverberations this unfortunate event sent across the industry and wider society. There was intense scrutiny from authorities in Christmas savings’ schemes at the time, and the Park Group - as we were then known - was at the forefront of developing the industry’s response through a framework to enhance consumer protection against potential future insolvency of providers.

Our response was two-fold:
• We created the Park Prepayments Protection Trust and ensured all money received directly from customers or via an agent, went into this designated trust account. Their money could only be released in accordance with the terms of the approved trust arrangements. In practice this means consumer money is protected from receipt through to order dispatch.
• We also helped set up an industry self-regulatory trade association called the Christmas Prepayment Association (CPA). This has a Code of Practice to which members must adhere, aimed at the security of monies paid to them by customers, along with professional standards for the industry. The Group has been a member of the CPA since it formed in 2007, and is represented on its board alongside both industry and independent members. The industry worked closely with the then Department for Business, Innovation & Skills in putting the CPA together. It has five directors, two from within the industry and three who are independent. The Chairman is an independent director and has the casting vote.

Our experience shows that the security of savings continues to remain a key consideration for consumers when it comes to saving in Christmas savings’ schemes. The trust therefore is a key component within our marketing messages and helps provide clarity and reassurance for our customers.

We firmly believe this model of placing monies in trust has helped the Christmas Savings’ market restore consumer confidence in the sector, whilst also providing the level of protection required for customers. There is an opportunity to learn from our success in establishing an approach which places a trust at the heart of consumer protection.

There is some additional protection through the Financial Services Compensation Scheme (FSCS) which can protect consumer funds in some circumstances, including if the financial institution holding the money fails but the Christmas club provider continues to operate. This means that in the event of a bank failure FSCS will be able to return the money so it can be used to fulfil their order.

More information about the Park Prepayments Protection Trust is available here.
https://www.getpark.co.uk/budgeting/saving/trust-summary.jsp

Appreciate Group offers a unique perspective to this consultation. As a broader prepaid gift card provider its core business is regulated by the Financial Conduct Authority. It fully recognises and support the need to place the interests of consumers at the heart of its proposition.

52 What other sectors might new powers regarding prepayment protections be usefully applied to?

Please respond here.:

53 How common is the practice of using terms and conditions to delay the formation of a sales contract?

Please respond here.:

54 Does the practice of using terms and conditions to delay the formation of a sales contract cause, or have the potential to cause, detriment to consumers? If so, what is the nature of the detriment or likely detriment?

Not Answered

Please expand on your answer here.: