



confident consumers

access to
information

competitive markets

modern **markets**: confident **consumers**

a summary
of the government's consumer
white paper



Department of Trade and Industry

modern **markets**: confident **consumers**

A fair deal and prosperity go hand in hand. Confident consumers, making informed decisions in modern, competitive markets, promote the development of innovative and good value products. And better performance in business in turn benefits consumers.

The opening up of global markets and the spread of electronic commerce bring opportunities and challenges for consumers and for business. In its White Paper, *modern markets: confident consumers*, the Government has set a new agenda:

- to promote open and competitive markets
- to provide people with the skills, knowledge and information they need to become demanding consumers
- to encourage responsible businesses to follow good practice
- to avoid burdening those businesses with unnecessary regulation

- to protect the public from serious trading malpractice and unsafe products.

The White Paper will benefit all consumers but the Government will focus in particular on the needs of those with less developed consumer skills, those who are socially excluded and those on low incomes who can least afford to make a bad purchase.

Open and competitive markets

Open and competitive markets are the best guarantee of a good deal for consumers.

They encourage innovation and ensure competitive prices. The Government is putting in place a framework that fosters free and fair competition, but is tough on those who seek to damage the competitive process.



The Government is also encouraging the competition authorities to be more proactive. To this end, the Government is launching an annual study to investigate whether prices are higher in the UK than in the US, France and Germany. The competition authorities will then look at whether any discrepancies are caused by anti-competitive behaviour.

Knowledgeable and demanding consumers

To make informed choices, consumers need reliable information on price, quality and the safety of products.

The Government will take steps to ensure that consumers have access to accurate, comprehensive and comprehensible information.

better information on prices

Goods on sale in shops will be clearly priced. And it will be easier to compare the price of goods in different quantities.



truthful advertising and claims

The Government proposes to change the law to introduce tougher controls on misdescriptions of services.

providing timely information

Consumers will be better informed about their rights when buying by mail order, telephone or the Internet, and given a guaranteed level of prior information about the contract.

building knowledge and skills

Consumer education is a top priority. The Government is working with a wide range of groups to develop training packages for adults and schoolchildren.





Promoting customer service

Good customer service is an integral part of any successful business strategy. The Government wants to encourage good customer service in a number of ways.

developing effective codes of practice

Working with business, consumer groups and local authorities, the Government has drawn up core principles for effective codes of practice. The Government also proposes to give the Office of Fair Trading (OFT) powers to approve and publicise codes which meet these principles.

promoting good practice

The Government will help develop customer satisfaction indices, and encourage their inclusion in existing and future benchmarking schemes.

more help for business

The Government wants to know whether small businesses should be protected by current consumer law.

e-commerce

The Government is working with the Alliance of Electronic Business, the Consumers' Association and the OFT to set up a new body to accredit e-commerce codes, which will be identified by a digital "hallmark".

Helping consumers to get redress

When a purchase goes wrong, consumers are entitled to quick and effective redress.



signposting sources of advice

The Government will help consumers get quick, accurate

answers to their questions by promoting the development of a new consumer advice network and launching a pilot telephone helpline. The new network will bring together existing advice agencies.

enforcing rights

The Government is taking steps to ensure that consumers and businesses going through the courts or other redress mechanisms get a simple, quick decision. Neither party should incur heavy costs.

Modernising regulation

Consumer legislation is already well developed and needs little extension. Risk, cost and alternative ways of achieving the desired result will always be considered before regulation.

However, the Government will legislate when new circumstances emerge for consumers that cannot be dealt with in other ways.

In financial services and food safety, new frameworks for



regulation are being built in the form of the Financial Services Authority and the Food Standards Agency.

reducing burdens

The Government believes there is scope for removing a number of burdensome regulations without jeopardising consumer interests. Among other things, the Government is looking at:

- updating and simplifying the law on weights and measures
- the current system of consumer credit licensing.

Securing compliance

The Government is determined that the public should be properly protected by the law and that the law should be effectively enforced.

dealing with the rogues

Existing law fails to deter the small number of “rogue” traders who continually disregard legislation aimed at protecting consumers. The Government wants a much clearer targeting of the dishonest. It plans:

- a power for the courts to grant injunctions against specific practices carried out by specified traders
- a power for the courts to ban from trading for a period of time those traders with a history of disregarding their legal obligations
- a power for the Secretary of State for Trade and Industry to make orders by secondary legislation specifying that certain practices which have been shown to be harmful should be made illegal.

The power to seek injunctions and banning orders will be made available to local authorities as well as the OFT.



a modern trading standards service

The Government wants to see the trading standards service in local government strengthened to meet the expectations of consumers and business.

The Government will:

- develop clear performance measures which encourage local accountability
- foster better training to provide more officers to enforce consumer protection law and ensure a high quality service across the country
- encourage closer co-operation between local authorities.

widening the enforcement base

The Government will give more bodies the right to take action against unfair contract terms and to seek injunctions against traders who breach the law in nine key areas.

Consumers at the heart of Government

The Government wants consumers to have a powerful voice. It also wants to see effective consumer representation. The Government will ensure that:

- consumers' views are sought before decisions are taken on relevant industrial, trade and social policy issues. A consumer advisory group will report directly to Ministers
- the development of consumer policies is based on sound evidence by putting additional resources into research and polling consumers directly.

a stronger voice for consumers

The Government is giving the OFT new opportunities to develop its role as a consumer watchdog. The Director General of Fair Trading will undertake a fundamental review of his consumer affairs functions in order to build a stronger OFT.

The National Consumer Council (NCC) is well placed to speak for consumers on major issues. The Government will help relaunch the NCC as a dynamic and even more effective force in UK consumer affairs.

Joining it all up

The Government has set out a clear vision and principles guiding the development of consumer policy, to which all Departments have signed up. This will ensure:

- an emphasis on the issues which really matter to consumers
- a forward-looking approach, identifying problems at an early stage
- greater consistency in analysis and the development of solutions
- more cohesion between policy-making and enforcement organisations.

Next steps

The White Paper is the start of the process, not the end. It will provide a solid basis for the development of consumer policy in the future. It establishes a framework, based on in-depth research into consumers' needs, which will ensure that new issues are properly identified, researched and acted upon. The Government will promote a joined-up approach both within and outside government.

If you would like to comment on this White Paper, please write to:

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Your comments should arrive by 29 October 1999

Copies of the White Paper, *Modern markets: confident consumers* (Cm 4410) can be obtained from The Stationery Office Ltd

and can be found on the DTI's website:
<http://www.dti.gov.uk/consumer/whitepaper>

Telephone enquiries 0171 215 6458

This leaflet is also available in Welsh. The text of this leaflet can be read on the DTI website in the following languages: Arabic, Bengali, Chinese, Greek, Gujarati, Hindi, Punjabi, Turkish, Urdu, Vietnamese and Welsh.