

The OFT's new approach to consumer codes of practice

A consultation paper

February 2001

OFT331

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CONTENTS

<i>Part</i>		<i>Page</i>
1	Introduction	1
2	The new approach	5
3	What next? Consultation on priority sectors and the core criteria	11

Annexe

A	Comparison of guidelines on codes	17
B	OFT's proposed criteria for new approach to codes of practice	25
C	Consultation Questions	31
D	Alphabetical list of consultees	33
E	Cabinet Office code of practice on written consultation	37

1. INTRODUCTION

- 1.1 This document announces a new approach by the Office of Fair Trading to voluntary codes of practice governing business dealings with consumers. It explains in brief the existing position and the reasons for change, sets out the new approach, and seeks views on the criteria to be used and a preliminary list of priority sectors for the new approval regime. Details of how to respond are on page 13.

Benefits of self-regulation

- 1.2 Self-regulation has the potential to provide an effective but lighter touch alternative to statutory regulation. At its best, it should be able to provide greater flexibility and speed than Government regulation in addressing specific problems which cause detriment to consumers and tarnish the image of whole sectors of trade. By involving industry participants in tackling sector specific problems, it builds upon industry expertise and legitimate self-interest in addressing malpractice or poor standards in the relevant market place. Over time it can lead to increased standards of customer care across industry sectors as these voluntary standards are increasingly adopted and exceeded in order to attract and retain customers.

Existing position

- 1.3 The Director General has a specific duty, under Section 124(3) of the Fair Trading Act 1973, to encourage trade and professional associations to prepare, and disseminate to their members, codes of practice for guidance in safeguarding and promoting the interests of consumers in the United Kingdom. OFT has gone beyond simple

encouragement and has given formal support to codes of practice which it believed would deliver real benefits to consumers.

- 1.4 However, it has become increasingly apparent that this regime is not delivering the theoretical benefits of self-regulation. In many areas complaint levels continue to be high, and OFT's research reveals little consumer awareness of these codes of practice. Where there is awareness of codes of practice there is doubt that codes have teeth and can deliver real benefits to consumers and honest traders. Traders are concerned that their adherence to codes of practice is not widely promoted and therefore does not result in increased business for them because consumers do not seek them out. Traders are also concerned that the costs of their adherence to high standards of customer service may put them at a competitive disadvantage.

Why adopt a new approach?

- 1.5 The reasoning behind a new approach is simple. Consumer detriment persists in the market place. Codes of practice have the potential to reduce it. What is needed is to unlock that potential.

What might a new approach involve?

- 1.6 OFT and numerous other organisations within the UK and throughout the world have in recent years been exploring ways in which self-regulation can be made more effective. Most recently in the UK the focus has been on the Government's Consumer White Paper proposals.
- 1.7 The White Paper proposed breaking out of the current situation by establishing a strong consumer brand for OFT endorsed codes,

effectively marketed. However, change cannot just be about marketing. Although the need to raise consumer awareness is a key issue it is not the only one. Sustained and high profile promotion of codes of practice is not enough on its own. The promises of better service have to be worthwhile and deliverable. Consumers need to see very clearly the benefits of dealing with traders who sign up to a code of best practice. Consumer confidence in brands can very easily be damaged. To regain that confidence can take considerable time. To inspire lasting confidence in a new brand will take time, effort, resource and commitment.

- 1.8 The Government's Consumer White Paper therefore recognised that to achieve a change in consumer behaviour there needs to be a demonstrable and comparable change in the behaviour of those advocating the self-regulatory route to success.
- 1.9 It will not be easy for business to make that change. A new regime needs to offer clear pointers as to what is required, and encouragement for and recognition of progress.
- 1.10 The need for change is compelling. Traditional boundaries are no longer appropriate. The growth of E Commerce and other international trade also dictates a new approach to self-regulation. The difficulties of providing legislative solutions to problems across borders will be increasingly thrown into sharp relief. Both statutory and self-regulation have to be adapted to the new world of speedier and increasingly international market places. Self-regulation can play a key part in enabling consumers and business to adapt by providing flexible and speedy means to address changes in the market place. Those of us shaping new regimes need to learn the

lessons of the past and change our behaviour to avoid repeating past mistakes.

2 THE NEW APPROACH

- 2.1 The OFT has decided upon a two stage approach which aims to encourage trade associations to re-assess their existing codes of practice or introduce new codes of practice which address consumer detriment within their sectors. The ultimate aim is a regime which will deliver increased protection for consumers and more customers for those businesses signing up to and delivering best practice.
- 2.2 The first stage is one which can be delivered within OFT's existing powers, although the extent of its application will depend on resources. The second stage would require a few key legislative changes, and additional funding. The two stages are co-dependent, and not independent of each other.

Stage 1 – Building the foundations

- 2.3 At this first stage the OFT will:
- Set out clear criteria that a code of practice should meet, including compliance and dispute resolution procedures.
 - Encourage trade associations and others in drawing up codes to map the criteria into the practical circumstances of their sectors in a way that properly addresses consumer problems.
 - Confirm in writing to the sponsors of well-formulated codes that their codes appear to meet our criteria, and are likely to be of practical benefit to consumers and good traders. There would be no OFT logo or mark because, at this level, there would be no independent checking of how well a code actually worked.

- This level of OFT involvement would not mirror the OFT's past involvement in codes of practice in that we would not be endorsing the code of practice in any way. Stage one is not a self-contained option. It is the starting point for the new regime.

2.4 The OFT would not get greatly involved in assisting trade associations and other sponsors in drafting the detail of codes. OFT's role will be to facilitate the transition from the first level through to the end goal of OFT approval. OFT will provide encouragement and guidance on core criteria and the role of code sponsors is to convert that guidance into sector - specific provisions that address actual and potential consumer detriment within the sector. OFT hopes that code sponsors will welcome this approach because it places the responsibility for sector specific issues with those who have the sectoral expertise — putting the 'self' back into self - regulation.

2.5 Where OFT has both particular concerns about a specific sector and up-to-date knowledge of it, we are likely to be more involved in the preparation of new or revised codes. The clearest example of this closer involvement is where OFT has carried out a full inquiry into a sector and identified consumer detriment which is capable of being addressed by self-regulation.

Stage 2 – Testing, approving and marketing

2.6 At this second level, the OFT will endorse very publicly - including by a well-marketed logo or mark - those codes for which there is robust evidence of practical success. Code sponsors will have to provide this evidence which would include mystery shopping, compliance audits and complaints data to show that the code is

being effectively implemented by all who claim to adhere to it, and that consumer disputes are properly resolved.

- 2.7 This level of endorsement is comparable with the White Paper proposals.

New scheme in the round: the promise and the proof.

- 2.8 The essence of the new approach is that at the first stage code sponsors would make a promise — that their code meets the new criteria. At the second stage they would have to demonstrate, with evidence, that their codes did deliver on that initial promise. OFT endorsement and promotion to the consumer kicks in at the evidential stage once the burden of proof has been met by the code sponsor.

Assumptions underpinning the new regime

- 2.9 Compliance with the law is taken as read. Codes should provide the necessary machinery to ensure that traders comply with the law relevant to their sectors and that consumers can enforce their pre-existing legal rights. But they should do more. Codes of practice should bring benefits to consumers above the provisions of the law.
- 2.10 OFT will encourage codes sponsors to set out clearly what the consumer can expect from member businesses under the law, and what additional benefits the code will provide, notably in customer service. Such clarity is vital to consumers, but it will also be helpful in promoting awareness of the code's provisions among the staff of traders who have signed up to the code.

- 2.11 Trusted and effective mechanisms for the resolution of disputes between consumers and businesses subscribing to a code, and robust monitoring and enforcement of compliance with the code, are essential but separate elements of the new regime. Not every trade body will find it easy to meet those requirements. In a voluntary system, there is no requirement on them to do so. But equally, OFT will not compromise on what is needed for the OFT to be associated with a code. Compromise will devalue the OFT Approval regime. It will defeat the objectives of promoting better traders who are prepared to deliver a high level of customer service and inspire consumer confidence and trust in the new regime.
- 2.12 The challenge is to build upon the best codes, and show weaker or more cautious trade associations that it can be done, and how. OFT has a constructive role to play in facilitating the sharing of best practice and giving clear signals to code sponsors as to what is expected of them.
- 2.13 The scheme rests on the Director General's statutory duty to promote voluntary codes of practice which safeguard and promote the interests of consumers. The OFT focus will be on how codes of practice deliver real benefits to consumers. It would be in the interests of no-one for the scheme and OFT's name to be devalued by association with ineffective codes. A strong scheme will benefit all participants.

Why should business sign up?

- 2.14 The reasons why business should sign up are clear. In an increasingly competitive market place traders need to ensure that they attract and retain customers. They need to differentiate

themselves from others who may set themselves lower standards. Whole sectors of business can suffer through the behaviour of the rogue element that will damage consumer confidence. Where consumers have difficulty in identifying traders they can trust and making informed choices, it is vital that traders send out clear signals to potential customers about what they can and will deliver. Participation in the new regime will provide a way for those clear signals to be sent and understood. And the sharper and more appropriate the entry criteria are seen as being, the clearer the signals will be.

- 2.15 An effective regime recognised by consumers will help marginalise the rogue element in a sector. Consumers will be better able to avoid them and enforcement authorities better able to identify and deal with them.

What about the codes supported by OFT so far?

- 2.16 There can be no presumption at this stage about which codes will progress through to OFT Approval. All bets are off. The new regime must be very clearly distinguished from the old one. OFT hopes that code sponsors from the previous regime will want to be part of the new regime and that they will be joined by new code sponsors. Existing code sponsors will be able to continue to refer to OFT support for their codes under the previous regime until 31 December 2001.
- 2.17 Although the co-existence of the old and new schemes has the potential to cause confusion, we have decided that some time should be allowed to the relevant associations to prepare for the formal ending of the old regime of OFT support and transition to the new level of OFT involvement. At the very least they and their

members will need time to amend stationery, leaflets and other promotional material. One way to reduce any potential for confusion is to ensure that the timing for implementation of the new regime minimises any overlap period between old and new regime.

When will the new regime start?

2.18 The new regime has now been formally launched but we cannot move to the first stage of assessing codes of practice against the core criteria until these have been finalised. Views are being invited on the OFT's proposed criteria. The consultation period runs to 31 May 2001. Testing of the criteria will have been completed by then. We plan to issue the final version of the new criteria in early July and start on the first stage of the new regime later that month having agreed upon the priority sectors to be tackled first. In early August we will invite code sponsors to state whether they wish to participate in the new regime and to assess their codes against the core criteria. During September and October OFT will assess their applications with a view to announcing in November 2001 which codes meet stage 1 and are thus eligible to go forward to stage 2.

Testing the core criteria

2.19 During the course of the consultation period we want to test these proposed criteria against some codes of practice. This will form a practical element of the consultation. In the next few weeks OFT will be approaching code sponsors with a view to their participation in this pilot work.

3 WHAT NEXT? CONSULTATION ON PRIORITY SECTORS AND THE CORE CRITERIA

Priority sectors for the new regime

3.1 Targeting is a key principle of good regulation. Areas to be targeted will be subject to resource constraints. OFT's aim is to target those areas where actual or potential consumer detriment is high and consumers need to be able to identify 'better traders'. In identifying priorities we will be using the criteria detailed below.

3.2 Criteria for selection of priority sectors

- known problem areas for consumers
- complex products
- high-risk transactions
- low consumer awareness of products and rights
- likelihood of a successful code
- absence of a sector- specific statutory regulator
- absence of an alternative self-regulatory regime (eg Trust UK for E Commerce; the DETR's Builders Quality Mark scheme).

Consultation on OFT's preliminary list of priority sectors

3.3 OFT will be deciding on priority sectors for the new regime in consultation with DTI, consumer organisations, industry representatives and others. OFT's aim is to identify sectors where codes of practice can address sector specific consumer problems

effectively. OFT's preliminary view is that priority sectors would include:

- Used cars
- Car repair and servicing
- Credit
- Funerals
- Travel
- Estate Agents
- Direct Marketing

3.4 Comments are invited on the criteria for selection of priority sectors and the preliminary list.

Consultation on the core criteria

3.5 The focus at this stage is to lay the foundations of a new regime. Principal among them will be the criteria upon which OFT will assess future consumer codes of practice.

3.6 OFT has a wealth of experience plus a body of recent analysis upon which to build. OFT last published guidance in 1991, and there are core principles in the Consumer White Paper. The National Consumer Council has recently published its good practice guide for business. The way in which these various elements relate is set out in Annexe A. Recent work by the Better Regulation Task Force and the Trade Association Forum is also very relevant, and we are taking account of it. It is clear that there is common ground on a number of central areas. Equally, there are other areas where different approaches have been taken, and where choices have to be made. In the interests of simplicity and brevity, we must reduce the detail that would result from just adding all the ideas together.

3.7 Out of that analysis comes the OFT's proposed criteria, which are set out in full at Annexe B. A summary of the specific questions to be addressed is at Annexe C. They are directed primarily at trade associations and businesses, consumer organisations and others with an interest in the development of a successful regime for consumer codes of practice. These questions are not intended to limit debate.

Consultation responses

3.8 Written comments should be sent by **31 May 2001** to:

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tel: 020 7211 8987

fax: 020 7211 8926

3.9 We intend to publish responses to the consultation. Respondents are requested to avoid confidentiality markings wherever possible. Please indicate clearly any material in your response which you wish to be kept confidential.

3.10 This document and the consultation process comply with the Cabinet Office guidelines at Annexe E.

ANNEXES

- A Comparison of guidelines on codes**
- B OFT's proposed criteria for new approach to codes of practice**
- C Consultation Questions**
- D Alphabetical list of consultees**
- E Cabinet Office code of practice on written consultation**

A COMPARISON OF GUIDLELINES ON CODES

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>1. Organisational</p> <p>The trade association should have a significant influence on the sector. In practice its membership would normally be a majority of firms in the sector but this would not preclude support for, eg a smaller trade association containing some of the more progressive elements in the industry and which was prepared to meet the other criteria. Nor would it rule out support for more than one code in a fragmented sector, though here it would be preferable if the various associations were to subscribe to a single code.</p> <p>Compliance with the code must be mandatory on members of the association(s).</p> <p>The trade associations must have the resources and disciplinary sanctions available to deal effectively with cases of non-compliance.</p>	<p>The sponsor should put in place an effective system to underpin compliance and to address breaches by members.</p>	<p>The scheme should have adequate resources and be funded in such a way that the objectives are not compromised.</p> <p>The rules should identify the intended outcomes.</p> <p>There should be adequate, meaningful and commercially significant sanctions for non-observance.</p>

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>2. Preparation of the Code</p> <p>The trade association must be able to demonstrate that its members are prepared to observe its provisions.</p> <p>Organisations representing consumers, enforcement bodies and advisory services must have been adequately consulted throughout the preparation of the code.</p> <p>3. Content of the Code</p> <p>The code must offer specific and worthwhile benefits beyond those which might be expected as a result of legal requirements and normal practice in the industry.</p> <p>Without being unduly prescriptive or</p>	<p>The sponsor should have a supervisory body for the code made up of people from the sector, consumers and some independent members.</p> <p>Consumers should see:</p> <ul style="list-style-type: none"> • truthful advertisements; • clear, helpful and adequate pre-contractual information; • clear, fair contracts; • staff who know about and meet the terms of the code as well as their 	<p>Compliance should be monitored (for example, through complaints, research and compliance letters from chief executives.</p> <p>There should be strong external consultation and involvement with all relevant stakeholders in the design and operation of the scheme.</p> <p>As far as is practical, the operation and control of the scheme should be separate from the institutions of the industry.</p> <p>Consumer, public interest and other independent representatives should be fully involved (if possible up to 75% or more) on the governing bodies of self-regulatory schemes.</p> <p>The scheme should be able to command public confidence.</p> <p>The scheme should be based on clear and intelligible statements of principle and measurable standards - usually in a code - which address real consumer concerns.</p>

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>stringent, the code should require high standards within the particular business sector reflecting the legitimate expectations of reasonable consumers.</p> <p>The code should normally include measures directed at the elimination or alleviation of consumer concerns and undesirable trade practices arising within the particular business sector.</p> <p>As relevant, the code should address:</p> <ul style="list-style-type: none"> • marketing and advertising of goods and services; • quality of product and customer service; • terms and conditions of supply (including legibility, comprehensiveness and comprehensibility of written materials); • delivery dates; • guarantees and warranties; • protection of deposit or prepayments; • after-sales service, spare parts, etc. <p>Specific measures should be aimed at ensuring that consumers are supplied</p>	<p>legal responsibilities.</p> <p>The sponsor should tailor the core principles to develop its own code, taking into account the needs and characteristics of the sector such as the size of businesses within it, and keep it up to date.</p>	<p>The objectives should be rooted in the reasons for intervention.</p>

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>with adequate information about goods or services and the terms of supply (eg. clear display of prices, estimates/quotations, detailed invoices, ready advice on technical aspects).</p> <p>The code should require compliance with the British Code of Advertising Practice, the British Code of Sales Promotion Practice and other relevant codes of practice of similar standing.</p> <p>Standards or requirements laid down by the code should be clear, precise and unambiguous and should be measurable whenever possible, eg specified time limits, applicability of British standards.</p> <p>The code should include a requirement that members indicate compliance with the code- including use of identifying symbols, ready availability of copies of the code or publicity materials etc.</p> <p>The code should include a requirement that staff of complying organisations have access to a copy of the code and be aware of the code's requirements.</p>		

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>go before the scheme if a customer so chooses and in that the member must accept a judgement made under the scheme. Any such scheme should be able to take into account possible breaches of the code where relevant to the complaint.</p> <p>5. Monitoring and publicity</p> <p>The operation of the code must be regularly monitored as follows:</p> <ul style="list-style-type: none"> i. the trade association will publish annually a report on the operation of the code including in particular the numbers and type of complaints referred for conciliation and to the independent redress system. It would be preferable if the report were compiled by an independent person or body with powers to recommend actions to be taken under iii below; ii. copies of these reports and any publicity will be provided to the OFT; iii. the association will recommend and 	<p>The redress and compliance systems should, wherever necessary or possible, include an independent element.</p> <p>Businesses in the sector should agree to deliver on the principles in the tailored code and report regularly to the sponsor on the operation of the code.</p> <p>The sponsor should publish a report about compliance with the code and on complaints about its operation.</p> <p>Consumers should see publicity about the code from the business and the sponsors, including a report on the operation of the code.</p>	<p>Performance indicators should be developed, implemented and published to measure the scheme's effectiveness.</p> <p>There should be a degree of public accountability, such as an annual report.</p> <p>The scheme should be well publicised, with maximum education and information directed at consumers and traders.</p> <p>The scheme should be regularly reviewed and updated in the light of any changing circumstances and expectations.</p>

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>require its members to take action based on this information to improve their service to the consumer; consumer satisfaction should be periodically assessed.</p> <p>Copies of the codes should be available without charge to customers, to members, to local consumer advisers and to others with a legitimate interest.</p> <p>The trade association should publicise the code so that relevant members of the public are adequately aware of it.</p> <p>6. Enforcement</p> <p>Compliance with the code and procedures for handling of complaints should be mandatory on members of the trade association.</p> <p>The code or articles of the trade association will establish a procedure for handling of complaints of non-compliance by members with the code. The procedure will include time limits for dealing with these complaints.</p>		

OFT Guidelines 1991	DTI Core Principles	NCC Guidelines
<p>The code or articles will also set out the penalties for non-compliance up to and including dismissal from the association.</p> <p>Where it is appropriate to the industry the trade association will ensure that, in the event of any member defaulting on or being unable to comply with a judgement made by the courts or under the alternative redress scheme in favour of a consumer eg through liquidation or withdrawing from trade association membership, mechanisms are in place to ensure the trade association meets the judgement against that member.</p>		

B OFT'S PROPOSED CRITERIA FOR NEW APPROACH TO CODES OF PRACTICE

B.1 Overarching principles

- a) Our aim is to set challenging but realistic standards for businesses to achieve. The overriding principle, that only codes which are effective in protecting consumer interests shall be approved, must be maintained. If it is not, the codes of practice regime will fail due to a lack of credibility and respect.
- b) A code must require code members to meet their obligations under consumer protection and other laws. A code should offer specific and worthwhile benefits beyond the law.
- c) The OFT has decided upon a two stage approach to codes of practice. At stage 1 code sponsors will promise that their code meets the required criteria. Progression to stage 2 and OFT approval will be made when evidence is produced to verify that the code sponsor delivers on the promise.
- d) The criteria apply to stages 1 and 2 except where otherwise indicated.

CRITERIA

B.2 Organisational

- a) Code sponsors should have a significant influence on the sector. In practice membership would normally be a majority of firms in the sector

but this would not preclude support for a smaller code sponsor containing some of the more progressive elements in the industry.

- b) Compliance with the code shall be mandatory on code members.
- c) Code sponsors shall have independent disciplinary procedures available to deal effectively with cases of non-compliance.
- d) Codes sponsors shall have adequate resources and be funded in such a way that the objectives of the code are not compromised.

B.3 Preparation of the Code

- a) Code sponsors shall be able to demonstrate that members are prepared to observe its provisions.
- b) Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services have been adequately consulted throughout the preparation of the code.
- c) Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services are being adequately consulted throughout the operation and monitoring of the code. * **Applicable to Stage 2 only.**

B.4 Content of the Code

- a) The code shall include measures directed at the removal or easing of consumer concerns and undesirable trade practices arising within the particular business sector.

- b) The code shall require that code members ensure that the relevant staff know about and meet the terms of the code as well as their legal responsibilities. Appropriate training is to be provided.
- c) The content of the code shall address the following areas, as appropriate, to the sector:-
- clear and truthful marketing and advertising;
 - clear pre-contractual information;
 - clear terms and conditions of supply including fair contracts;
 - delivery/completion dates;
 - cancellation rights
 - guarantees and warranties;
 - protection of deposit or prepayments;
 - after-sales service provisions;
 - additional effort/help to be provided to vulnerable consumers.

B.5 Complaints Handling

- a) Adequate procedures shall be available, within the code, for dealing with complaints from consumers, to include:
- a requirement that code members shall have in place speedy, responsive, accessible and user friendly procedures for dealing with consumer complaints. A specific reasonable time limit for responding to complaints shall be agreed;
 - a requirement that code members shall offer maximum co-operation with local consumer advisers or any other intermediary consulted by the consumer;
 - the availability of conciliation services directed at arranging a decision acceptable to both parties;

- availability of a low-cost, speedy, responsive, accessible and user friendly independent redress scheme to act as an alternative to seeking court action in the first instance. **Independence is vital in any redress scheme.** The scheme shall be binding in respect of code members who shall not be able to refuse to allow a complaint to go before the scheme if a customer so chooses. Furthermore the code member shall be bound to accept a judgement made under the scheme. Any such scheme shall be able to take into account possible breaches of the code where relevant to the complaint.

B.6 Monitoring

- a) The operation of the code shall be regularly monitored as follows:
- the code sponsor shall regularly review the code;
 - the code sponsor shall develop performance indicators, e.g. mystery shopping exercises and independent compliance audits, to measure the effectiveness of the code;
 - the code sponsor shall implement and publish the results of the performance indicators to demonstrate the effectiveness of the code;
* **Applicable to Stage 2 only.**
 - the code sponsor shall update the code provisions, as and when necessary, in the light of changing circumstances and expectations.
* **Applicable to Stage 2 only.**
 - Consumer satisfaction shall be regularly assessed. * **Applicable to Stage 2 only.**
 - the code sponsor shall publish annually a report on the operation of the code including in particular the numbers and type of complaints referred for conciliation and to the independent redress system. It would be preferable if the report were compiled by an independent person or body with powers to recommend actions; * **Applicable to Stage 2 only.**

- the code sponsor shall provide copies of the annual reports to the OFT; * **Applicable to Stage 2 only.**
- the code sponsor shall regularly review the code.

B.7 Enforcement

- a) The code sponsor shall establish a procedure for handling non-compliance by members with the code. The procedure shall include reasonable time limits.
- b) The code sponsor shall also set out a range of sanctions, e.g. warning letters, fines, termination of membership, for dealing with non-compliance.

B.8 Publicity

- a) Code sponsors and members shall ensure that their customers are aware of the code.
- b) Code members are to make clear, e.g. in advertising, point of sale, their adherence to a code of practice.
- c) Copies of codes shall be available without charge to customers, to members, to local consumer advisers and to others with a legitimate interest.
- d) Copies of any code related publicity generated by the code sponsor shall be provided to the OFT.
- e) Code sponsors and members shall publicise the fact that the OFT has approved the code by using the agreed OFT logo/mark. * **Applicable to Stage 2 only.**

C CONSULTATION QUESTIONS

Core Criteria

- C.1 Are the core criteria realistic and achievable? If not, please suggest how they can be improved.
- C.2 We would expect all codes to comply with the core criteria. Are they sufficiently challenging? Please highlight any potentially weak areas, and explain why.
- C.3 How relevant are the criteria to individual sectors? Can they be easily translated into sector specific provisions? If not, please explain why. Examples would be particularly useful.
- C.4 Are the criteria sufficiently self-explanatory? If not please identify those areas which require clarification.
- C.5 Is it clear what is required for a code to reach Stage 1 and what is required to progress through to Stage 2? If not, please specify in what areas more guidance would be useful.
- C.6 Should OFT produce guidance on the core criteria? For which criteria would guidance be particularly useful?
- C.7 Should OFT stipulate the level of independent input required for the preparation of codes?
- C.8 How should independence be defined in terms of compliance and redress mechanisms? The Consumer White Paper core principles stated that there should be independence wherever necessary or possible. Are there

sectors where independence is not necessary? Please specify which sectors and why.

C.9 Should the criteria specify a timetable for regular formal reviews of codes by code sponsors? If so what timescale would you suggest?

Priorities

C.10 What are your views on the preliminary list of priority sectors? Please suggest alternatives if appropriate, and give reasons for their selection.

D ALPHABETICAL LIST OF CONSULTEES

A

Advertising Standards Authority
AMD
Association of British Chambers of Commerce
Association of British Insurers
Association of British Introduction Agencies
Association of British Travel Agents
Association of Manufacturers of Domestic Electrical Appliances
Association of Payment Clearing Services

B

Banking Code Standards Board
Banking Ombudsman
Better Regulation Task Force
Boleat Consulting
British Association of Removers
British Bankers Association
British Chambers of Commerce
British Cheque Cashers Association
The British Footwear Association
British Hardware & Housewares Association Ltd
British Holiday and Home Parks Association Ltd
The British Imaging & Photographic Association
The British Institute of Professional Photography
British and Irish Ombudsman Association
British Marine Industries Federation
British Photographic & Imaging Association
British Plastics Federation Window Group
British Retail Consortium
British Standards Institute
British Vehicle Rental & Leasing Association
The Buildings Societies Association
The Building Society Ombudsman

C

The Call Centre Association
Chartered Institute of Arbitrators
Citizen's Advice Scotland
Confederation of British Industry
Consumers Association
The Consumer Credit Trade Association
The Consumer Credit Association of the United Kingdom

Council of Mortgage Lenders
Credit Services Association

D

Department of the Environment, Transport and the Regions (DETR)
Department of Trade and Industry (DTI)
The Direct Marketing Association (UK) Ltd
The Direct Selling Association Ltd
Domestic Appliance Services Association

E

European Fencing Industry Association Ltd

F

Federation of Introduction Services
Federation of Small Businesses
Finance and Leasing Association
Financial Services Authority
Finance Industry Standards Association
Financial Services Ombudsman
Funeral Ombudsman
Funeral Planning Council
Funeral Standards Council

G

General Consumer Council for Northern Ireland
General Insurance Standards Council
Glass and Glazing Federation

H

Hire Association Europe

I

The Independent Committee for the Supervision of Standards of Telephone
Information Services (ICSTIS)
Independent Association of Estate Agents
Independent Footwear Retailers' Association
Instock Footwear Suppliers Association Limited
Insurance Ombudsman

J

Jones Vening Limited

L

Local Authorities Co-ordinating Body on Food & Trading Standards (LACOTS)
London Personal Finance Association

M

The Mail Order Traders Association of Great Britain
Master Locksmiths Association
Master Photographers Association
Mortgage Code Compliance Board
Motor Cycle Industry Association of Great Britain Ltd

N

National Association of Citizens Advice Bureaux (NACAB)
National Association of Caravan Owners
National Approval Council for Security Systems (NACOSS)
The National Association of Estate Agents
National Association of Funeral Directors
National Association of Private Ambulance Services
National Caravan Council
National Consumer Council
The National Consumer Credit Federation
National Federation of Consumer Groups
The National Pharmaceutical Association
The National Tyre Distributors Association

O

Office of The Corporate Estate Agents Ombudsman
Office of The Investment Ombudsman
Office of The Legal Services Ombudsman
Office of The Scottish Legal Services Ombudsman
Ombudsman for Estate Agents Ltd
Organisation for Timeshare in Europe

P

Photo Marketing Association International (UK) Ltd
Professional Photographic Laboratories Association

Q

QUALITAS

R

The Radio, Electrical and Television Retailers'
Association (RETRA) Ltd
Recruitment and Employment Confederation (REC)

Retail Motor Industry Federation Ltd
The Royal Institution of Chartered Surveyors

S

Scottish Consumer Council
Scottish Motor Trade Association Limited
Society of Allied and Independent Funeral Directors
The Society of Master Shoe Repairers
The Society of Motor Manufacturers and Traders Ltd
The Society of Ticket Agents & Retailers

T

Textile Services Association Ltd
TicketMaster
Trading Standards Institute
TSI Management Committee
Trade Association Forum

U

United Kingdom Accreditation Service

V

The Vehicle Builders & Repairers Association

W

Welsh Consumer Council
World Association of Introduction Agencies

E CABINET OFFICE CODE OF PRACTICE ON WRITTEN CONSULTATION

The consultation criteria

- E.1 The criteria in this code apply to all UK national public consultations on the basis of a document in electronic or printed form. They will often be relevant to other sorts of consultation.
- E.2 Though they have no legal force, and cannot prevail over statutory or other mandatory external requirements (e.g. under European Community law), they should otherwise generally be regarded as binding on UK departments and their agencies, unless Ministers conclude that exceptional circumstances require a departure.
- E.3 The criteria should be reproduced in consultation documents, with an explanation of any departure, and confirmation that they have otherwise been followed.
- E.4 Timing of consultation should be built into the planning process for a policy (including legislation) or service from the start, so that it has the best prospect of improving the proposals concerned, and so that sufficient time is left for it at each stage.
- E.5 It should be clear who is being consulted, about what questions, in what timescales and for what purpose:
- A consultation document should be as simple and concise as possible. It should include a summary, in two pages at most, of the main questions it seeks views on. It should make it as easy as possible for readers to respond, make contact or complain;

- Documents should be widely available, with the fullest use of electronic means (though not to the exclusion of others), and effectively drawn to the attention of all interested groups and individuals;
- Sufficient time should be allowed for considered responses from all groups with an interest. Twelve weeks should be the standard minimum for a consultation.
- Responses should be carefully and open-mindedly analysed, and the results made widely available, with an account of the views expressed, and reasons for decisions finally taken; and
- Departments should monitor and evaluate consultations, designating a consultation co-ordinator who will ensure the lessons are disseminated.