Evaluating the impact of the 2004 OFT market study into doorstep selling

Prepared for the Office of Fair Trading by GHK

April 2012
This work was undertaken by GHK Consulting Limited for the OFT. The views expressed in the publication are those of the authors and not necessarily those of the OFT.

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1 EXECUTIVE SUMMARY

Overview

1.1 The Office of Fair Trading (OFT) has a public commitment as part of its Comprehensive Spending Review settlement to evaluate each year the impact of at least one of its previous interventions. In this context, the OFT commissioned GHK Consulting Limited (GHK) to evaluate the impact of the OFT’s 2004 market study1 into doorstep selling in the UK.

1.2 The OFT launched its investigation into legitimate doorstep selling2 in 2002 and published its findings in 2004, noting a range of concerns and concluding that many users were poorly served by the doorstep sales channel. The OFT made a series of recommendations for improving the operation of the doorstep sales channel, including:

- the Doorstep Selling Regulations be amended to require information on cancellation rights and how they may be exercised to be more prominently and clearly displayed in contracts, with a clear indication of the circumstances in which cancellation rights might be lost
- the Department of Trade and Industry (DTI)3 legislate to make cancellation rights applicable to all sales which take place off business premises, whether or not the sales visit which gave rise to it was solicited4 by the consumer


2 Doorstep selling involves someone selling goods or services in the consumer’s home or on the consumer’s doorstep as a result of either an unsolicited/uninvited or solicited/invited visit. The sale must be concluded in the home or on the doorstep to qualify as a doorstep sale. The OFT market study relates specifically to the practices of legitimate doorstep sellers, rather than bogus or rogue traders.

3 The DTI has become the Department of Business, Innovation and Skills (BIS).

4 A ‘solicited’ visit denotes a situation where a trader visits a consumer’s home upon the request of the consumer.
• to avoid the undermining of cooling off periods, the DTI should consult on the 'right to recover payment' in regulation 7(2)(iv) of the Doorstep Selling Regulations and a possible ban on work and/or payment within seven days for contracts concluded following at least an unsolicited visit, subject to limited exceptions, and

• firms selling on the doorstep should provide greater transparency on prices for their products and a greater willingness to provide written quotes. The OFT expected to see this requirement included in any Consumer Code seeking approval from the OFT.

1.3 In response to the OFT’s recommendations, the following changes were implemented:

• the Government introduced the 'Cancellation of Contracts Made in a Consumer’s Home or Place of Work etc. Regulations 2008'\(^5\) which require cancellation notices to be provided within contracts

• the Government incorporated the extension of cooling-off periods to solicited visits in the 'Cancellation of Contracts Made in a Consumer’s Home or Place of Work etc. Regulations 2008', and

• the OFT encouraged greater transparency on prices and willingness to provide written quotes through industry self-regulation, by encouraging traders to operate under approved Codes of Practice or (for the building and construction trades) through participation in TrustMark.

1.4 The Government also consulted on the 'right to recover payment' in regulation 7(2)(iv) of the doorstep selling regulations (1987) but rejected the idea of banning work and/or payment within seven days for contracts concluded following at least an unsolicited visit.

1.5 This report, by GHK, evaluates the impact of these changes that resulted from the OFT study into doorstep sales and, where possible, quantifies

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the benefits delivered to consumers. In particular, this evaluation considers impacts in the following areas:

- the compliance of doorstep sellers with new legislation – whether traders are making consumers fully aware of their new rights at the point of sale
- the behaviour of doorstep sellers in relation to the provision of written quotes
- the extent to which consumers shop around for the best deal when making purchases at home
- the awareness of consumers in relation to the sales techniques which might be employed to ‘force’ sales
- the awareness of consumers in relation to their extended rights when purchasing from doorstep sellers and the extent to which they exercise these rights, and
- the confidence of consumers in making purchases on the doorstep.

1.6 The OFT’s market study focused on legitimate doorstep selling, as opposed to ‘rogue’ or ‘bogus’ trading which are addressed separately by the Police, Trading Standards and the OFT. Consequently, this evaluation focuses on legitimate doorstep sales only.

1.7 The key methodological elements used for the evaluation included:

- developing an analytical framework for assessing impact
- undertaking desk research to gather evidence necessary to inform an assessment of the scale and nature of doorstep selling
- undertaking primary research to gather evidence on the impact of the OFT’s market study

6 The OFT published a separate position paper, ‘Legislative options for tackling bogus trading’ (OFT 704, March 2004), to address the issue of bogus trading. The recommendations of that paper were revisited by the OFT in its doorstep selling market study, but the main focus of the market study was legitimate doorstep selling.
• triangulating evidence and information collected to test and validate results through cross verification, and

• analysing and synthesising the evidence, including determining consumer impacts of the OFT’s study.

Doorstep sales

1.8 Desk research and analysis (presented in Chapter 4) into doorstep sales using a variety of sources suggests that the doorstep sales channel has become increasingly important to consumers since 2004, accounting for 0.55 per cent of consumer expenditure in 2010 compared to 0.49 per cent in 2004. The value of doorstep sales increased to £3.3 billion in 2010 (based on the definition of doorstep sales used by the OFT in 2004). This represents real growth in doorstep sales of 19 per cent (2.9 per cent per annum) over the period since the 2004 market study. This increase has been driven by higher doorstep sales of double-glazing, conservatories and low/mid-value products compared to the 2004 estimates. These increased sales have more than offset the lower doorstep sales of mobility aids, hearing aids and in the wider home improvement sector.

1.9 The definition of doorstep sales used in this study has been updated from the definition used in 2004 to include additional low- and mid-value products and home improvements that were either excluded from the 2004 definition or have since seen strong growth in doorstep sales (such as energy-efficient and micro-generation products and services). On the basis of this revised definition, the overall value of doorstep sales is estimated at £4.7 billion per annum in 2010.

1.10 Overall, the doorstep sales channel is estimated to have grown significantly faster than UK Gross Domestic Product (GDP) and total consumer expenditure over the period from 2004 to 2010, regardless of the definition used.

1.11 The increasing scope and scale of UK doorstep sales since the time of the OFT’s market study emphasises the importance of this sales channel to UK consumers and, in particular, to certain vulnerable consumer groups, such as the elderly and disabled, who may be more constrained in accessing alternative sales channels for some products. For example, just under a third of respondents who made a purchase were unable to
easily purchase the product in another way (such as where a product needs to be tailored to the consumer’s home). In the age group 70+, this figure increases to 51 per cent.

**Impact of the OFT’s market study**

1.12 This evaluation presents and analyses evidence on the impact of the OFT’s market study recommendations, including the response of market participants (traders and consumers) to the recommendations made. While some changes can be seen as a direct consequence of the recommendations made by the OFT, it is clear that other changes have occurred over the period as a result of exogenous factors.

1.13 Where possible, this evaluation compares the situation now with that which prevailed in 2004. However, to provide further information to the OFT to enable it to assess the sales channel, the focus of the evaluation was widened to look at some factors not measured in the 2004 study.

**Consumer confidence**

1.14 The overall aim of the OFT is to make markets work well for consumers. Effective consumers are able to shop confidently and drive competition between retailers which, in turn, pushes them to deliver the right products for consumers. Building consumer confidence that is well-founded and linked to actual consumer protection arrangements is therefore an important step in ensuring good outcomes for consumers.

1.15 The OFT recommendations to improve cancellation rights, improve awareness of rights and ensure greater price transparency all help empower consumers to shop effectively.

1.16 Overall, confidence levels when buying on the doorstep are high and improving. In 2004, 70 per cent of consumers were ‘fairly’ or ‘very’ satisfied with the sales process and this had increased to 83 per cent by 2010. Similarly, satisfaction with the goods and services purchased has remained high, rising slightly from 76 per cent to 78 per cent over the same period.
Cancellation rights

1.17 Despite low levels of dissatisfaction with the sales process, the ability to cancel a purchase, particularly one made in the home where consumers may have had less time to consider the purchase or shop around, is important.

1.18 One of the key outcomes of the OFT market study was to expand cancellation rights to purchases made through solicited as well as unsolicited purchases.

1.19 As a result of this change in cancellation rights, three per cent of consumers who made a purchase following a solicited visit cancelled their purchase. Given that the solicited doorstep sales channel is estimated to have accounted for over £650m of sales in 2010, these new rights have the potential to result in significant benefits for consumers.

1.20 It is not just having the right to cancel that is important for consumers. Consumers making solicited and unsolicited purchases need to be aware of their rights and how to exercise them.

1.21 The majority of consumer survey respondents (77 per cent) were satisfied that they were aware of their right to cancel, which is higher than the corresponding figure of 74 per cent of consumers in 2004 (although not a statistically significant difference). High, and rising, awareness of cancellation rights is likely to impact positively on consumer confidence insofar as consumers feel aware and informed of their rights when making purchases in the home.

1.22 Stakeholders interviewed for this evaluation were satisfied that the proportion of doorstep sellers providing clear information on cancellation rights and cooling off periods had increased since 2004. However, there has been a rise in the number of complaints relating to a failure of traders to observe cancellation rights. Whilst rising complaints remains a concern, this may also indicate increased awareness of rights amongst consumers.
Written quotes

1.23 A further recommendation from the 2004 market study was to encourage traders, either through self-regulation or through membership of approved codes of practice, to provide greater transparency on prices and provide more written quotes. For high value products over £500, the consumer survey found that 80 per cent of consumers received written quotes. Whilst there is no 2004 comparator, this suggests, prima facie, a relatively positive degree of price transparency for products with the greatest scale of potential consumer detriment.

1.24 Stakeholders consulted noted that regulations are less clear in this area than they are in relation to other aspects of information provision to consumers and that there may be scope to strengthen future consumer policy in order to ensure that more sellers provide written quotes to their customers as a matter of course.

Outstanding concerns

1.25 Despite the additional cancellation rights available to consumers and the high levels of satisfaction, the consumer survey highlights a number of concerns that persist in relation to doorstep sales. In particular, there are a number of factors that would be expected to drive satisfaction that have not improved, despite the underlying improvement in consumer satisfaction. However, there is no evidence to suggest that these deteriorations are a result of the changes introduced following the OFT’s market study.

1.26 First, there is some evidence to suggest that certain consumers remain subject to high pressure sales techniques in specific product markets such as home repairs and improvements, mobility aids, and energy. The two most commonly employed sales techniques cited by consumers are price discounting on the condition that the consumer purchases the product in question on the same day and a high initial price followed by discounting. Sellers of home improvement products were most likely to employ both the above mentioned tactics. This is consistent with the results of the mystery shopping exercise in which sellers of double-glazing products were more likely than sellers of mobility aids to use sales tactics and incentives such as these. However, the results of the consumer survey suggest that pressure selling is a concern for a
relatively small number of consumers only with 15 per cent stating that the sales person had imposed pressure on them. This figure was significantly higher for certain product groups, particularly mobility aids and home improvement products, although it is broadly consistent with the results of the mystery shopping exercise in which only eight per cent of assessors saying that they felt under pressure to agree to purchase anything during the sales visit.

Second, the proportion of consumers making price comparisons prior to purchasing on the doorstep has declined. However, consumers purchasing home improvement, some specialist and household products or services were more likely to make price and quality comparisons than consumers purchasing other products in the home. The ability of consumers to make price comparisons can be affected by the mobility of the consumer, local availability of products and retailers, time pressures and the availability of internet access and computer literacy of consumers.

Third, while there is some evidence, albeit inconclusive, that price variation across some product types sold on the doorstep has declined in recent years (driven by increased competition from high street stores and online retailers), the consumer survey findings suggest that a substantial degree of price variation in doorstep sales remains, with the highest quotes received by the average consumer amounting to nearly twice the level of the lowest quotes received.7

Estimated monetary impacts of the OFT’s market study

Monetising the impacts of these changes in response to the OFT’s market study is challenging. However, this report presents two separate, transparent and conservative approaches for monetising improvements since 2004 which suggests that the approximate annual value of benefits since 2008 (the time at which changes to the doorstep selling regulations were introduced) may have been in the order of:

7 However, caution should be used in interpreting these results given the small sample size on which they are based.
• **£57.0 million per year sales growth in response to improvements in ‘consumer confidence’** as measured by the value of additional purchases made by consumers that would not otherwise have been made in the absence of the changes in consumer protection regulations resulting from the OFT’s market study, and

• **£8.5 million per year in reduced/avoided ‘consumer detriment’** as measured by the value of the purchases cancelled by consumers that could not otherwise have been cancelled in the absence of the changes in consumer protection arrangements resulting from the OFT’s market study (and adjusting this gross figure for the estimated opportunity cost to traders of making cancelled sales).

1.30 While these figures provide conservative estimates of the benefits from the OFT’s intervention, caution is recommended when interpreting these figures. First, the two figures cannot be summed to derive a total impact figure as they are measuring two different types of impact. Second, the estimated improvement in consumer confidence is not an estimate of changes in consumer welfare but, rather, a proxy measure of the improved consumer confidence as manifested in additional doorstep purchases (the monetary impact of which will accrue partly to traders as well as consumers). Third, the estimated ‘consumer detriment’ avoided is based on an indicative average product value.

Conclusions

1.31 There have been some clear positive outcomes for consumers in relation to doorstep sales. There are high (and growing) levels of consumer satisfaction, both with the doorstep sales visit and the goods and services themselves. In market segments where the scope for consumer detriment is greatest (in relation to medium- and high-value purchases), consumers generally report receiving the information they need from businesses to provide clarity and certainty with respect to prices and consumer rights. Finally, cancellation rights have been expanded to cover solicited visits as well as unsolicited visits, and generally consumers are aware of these rights.

1.32 However, the evaluation has also identified that there is scope for improvement in relation to several elements of doorstep selling, in particular around the use of pressure sales techniques and the lack of
shopping around by consumers. These would have to be weighed against the high levels of overall satisfaction found in the evaluation, when considering future work in this area.
2 INTRODUCTION AND BACKGROUND

2.1 The OFT has a public commitment as part of its Comprehensive Spending Review settlement to commission an independent evaluation of the impact of at least one of its previous interventions each year. The OFT relies on findings from such evaluations to fulfil a dual role associated with external accountability and providing internal management with evidence and intelligence.

2.2 In this context, the OFT commissioned GHK to evaluate the impact of the OFT’s 2004 market study into doorstep selling in the UK. This evaluation focuses on the implementation of the OFT’s recommendations, considering the study’s effect on doorstep sales. The evaluation attempts to estimate and quantify where feasible the benefits to consumers arising from the OFT’s intervention.

Background

2.3 The OFT launched a market study into doorstep selling in 2002 following a super-complaint from Citizens Advice which raised concerns about a number of issues associated with the process of doorstep selling, such as pressure selling. In particular, it was considered an important issue as the evidence suggested that many customers of doorstep sellers that experienced problems were vulnerable and housebound, elderly or disabled.

2.4 The OFT and published its findings in 2004, noting a range of concerns and concluding that many users were poorly served by the doorstep sales channel. These concerns related to:

- **consumer awareness** – the OFT found that consumers were generally unaware of their rights when buying through doorstep selling. The majority were unaware that they may enjoy a cooling off period when buying in the home (if the visit was unsolicited) and 34 per cent thought that they had more rights when purchasing in a shop

- **sales techniques** – in some instances, consumers faced intense pressure when buying in the home (both in solicited and unsolicited sales). A range of successful sales tactics and influencing techniques
were identified which, when used together, could have led consumers to make inappropriate decisions

- **price variation** – prices for high-value products were found to vary substantially. In a tightly controlled comparison of similar double-glazing products, it was found that prices paid by doorstep selling consumers varied by up to 45 per cent. For certain assistive products, it was found that consumers buying in the home were paying significantly more than if they bought through other sales channels

- **consumers locked into contracts** – at the time of the market study, cooling off periods (which provided flexibility for consumers to cancel contracts they regretted making) only applied to sales over £35 made during an unsolicited visit. However OFT analysis showed that consumers were often as likely to regret a purchase made from a solicited visit as from an unsolicited visit. As a result, consumers making a doorstep purchase from a solicited visit could find themselves, often inadvertently, locked into contracts, and

- **susceptibility** – consumers were found to be equally susceptible to certain sales techniques whether or not they had solicited the visit.

2.5 The OFT made a series of recommendations for improving the operation of the doorstep sales channel, including:

- the Doorstep Selling Regulations should be amended to require information on cancellation rights and how they may be exercised to be more prominently and clearly displayed in contracts, with a clear indication of the circumstances in which cancellation rights might be lost

- the Department of Trade and Industry (DTI)\(^8\) should legislate to make cancellation rights applicable in all sales which take place off

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\(^8\) The DTI has become the Department of Business, Innovation and Skills (BIS).
business premises, whether or not the sales visit which gave rise to it was solicited\(^9\) by the consumer

- to avoid the undermining of cooling off periods, the DTI should consult on the 'right to recover payment' in regulation 7(2)(iv) of the Doorstep Selling Regulations and a possible ban on work and/or payment within seven days for contracts concluded following at least an unsolicited visit, subject to limited exceptions, and

- firms selling on the doorstep should provide greater transparency on prices for their products and a greater willingness to provide written quotes. The OFT expected to see this requirement included in any Consumer Code seeking approval from the OFT.

2.6 In response to the OFT’s recommendations, the following changes were implemented:

- the Government introduced the 'Cancellation of Contracts Made in a Consumer’s Home or Place of Work etc. Regulations 2008' which require cancellation notices to be provided within contracts

- the Government incorporated the extension of cooling-off periods to solicited visits in the 'Cancellation of Contracts Made in a Consumer’s Home or Place of Work etc. Regulations 2008' and

- the OFT also encouraged greater transparency on prices and willingness to provide written quotes through industry self-regulation, by encouraging traders to operate under approved Codes of Practice or (for the building and construction trades) through participation in TrustMark.

2.7 The Government also consulted on the 'right to recover payment' in regulation 7(2)(iv) of the doorstep selling regulations (1987) but rejected the idea of banning work and/or payment within seven days for contracts concluded following at least an unsolicited visit.

\(^9\) A ‘solicited’ visit denotes a situation where a trader visits a consumer’s home upon the request of the consumer.
Purpose of this evaluation

2.8 This report, by GHK, evaluates the impact of these changes that resulted from the OFT study on doorstep sales and quantifies benefits where possible. In particular, this evaluation aims to answer the following questions:

- The scale and size of doorstep sales:
  - Has the doorstep sales channel grown in size since the OFT’s 2004 market study?
  - Has there been a reduction in price variation? Particularly, are there still wide variations in the price of double-glazing and assistive products?

- Trader behaviour:
  - Are doorstep sellers complying with new legislation; are they making consumers fully aware of their new rights at the point of sale?
  - Are doorstep sellers providing greater transparency to consumers, for example, via written quotes?

- Consumer awareness and attitudes:
  - Are consumers more confident making purchases in this market?
  - Are consumers aware of their extended rights when purchasing from doorstep sellers? Particularly, are consumers aware that cooling off periods now apply to solicited visits as well as unsolicited visits?
  - Do consumers shop around for the best deal when making purchases at home?
  - What is the incidence of consumers exercising their new rights? (For example, the extension of cooling off periods to solicited visits.)
Are consumers increasingly aware of the sales techniques which might be employed to 'force' sales?

**Methodology**

2.9 The method of approach for this evaluation involved five key elements:

- developing an analytical framework for assessing impact
- undertaking desk research to gather evidence necessary to inform an assessment of the scale and nature of doorstep sales in particular
- undertaking primary research to gather evidence on the impact of the OFT’s market study in particular
- triangulating evidence and information collected to test and validate results through cross verification, and
- analysing and synthesising the evidence, including determining consumer impacts of the OFT’s study.

**Analytical framework**

2.10 This evaluation study has been guided by the development of an analytical framework that establishes the theoretical causal links between inputs, outputs and outcomes associated with the OFT’s market study. This analytical framework is presented in Figure 2.1 below.

2.11 The analytical framework covers the following elements of the OFT’s market study:

- the original objectives of the market study and the extent to which these can be defined in specific/measurable terms
- the scope of inputs against which the consumer impacts can be assessed, including the direct costs of undertaking the 2004 market study and whether any other costs should be included within scope (such as the costs of implementing the OFT’s recommendations)
- the specific activities that occurred in response to the OFT’s market study recommendations, including the timing of legislative and other
changes and the agencies/organisations responsible for undertaking these activities\textsuperscript{10}

- the specific outputs that the OFT’s market study recommendations led to, which should be linked back to the specific/measurable objectives of the market study as far as possible, and

- the outcomes (both intermediate and final) that the OFT expected to result from the market study, including consumer impacts and any unintended consequences.

\textsuperscript{10} The OFT’s 2008 consumer campaigns are included within the analytical framework for completeness but were not part of the original study and, hence, the impacts of which have not been explicitly evaluated within this study (although it is likely that the campaigns will have played a role in some of the impacts assessed herein, including in relation to consumer awareness findings).
FIGURE 2.1 FRAMEWORK FOR ANALYSING THE IMPACTS OF THE OFT’S MARKET STUDY INTO DOORSTEP SELLING

Rationale

To improve the functioning of the doorstep selling market and improve consumer welfare through remedies to address failures and concerns

Inputs

Costs of undertaking the OFT’s market study

Activities

- Cancellation rights extended to solicited visits
- 7 day cooling off period extended to solicited visits
- Contracts required to clearly display information about cancellation rights
- Industry self-regulation (price transparency and written quotes) encouraged
- OFT campaigns in 2008 & 2009 to raise consumer awareness of rights

Outputs

- Increase in consumer rights in relation to cancelling a contract
- Increase in contracts containing clear information on cancellation rights
- Increase in provision of written quotes
- Increase in clarity of pricing information

Intermediate outcomes

- Consumers aware of their new rights
- Consumers aware of pressure sales techniques
- Consumers able to compare prices and shop around for best deal
- Traders face more competitive pressures based on greater price transparency and consumer rights

Final outcomes

- Increase in consumer confidence when buying from home
- Reduction in consumer detriment associated with ‘inappropriate’ purchases
- Increase in consumer satisfaction with goods and services purchased on the doorstep and the sales process itself

Context to the intervention (wider economic, social, environmental and policy conditions)
Desk and primary research

2.12 The analytical framework was informed by a series of primary and secondary research tasks, which involved capturing quantitative and qualitative data and information regarding the role and impact of the OFT’s market study and then triangulating the resulting evidence and information to avoid relying on a single method/approach.

2.13 The evaluation involved a mix of primary and secondary research comprising five key elements:

- **desk research** – GHK undertook desk based economic research to seek evidence on the size and nature of doorstep sales, the conduct and behaviour of doorstep sellers and consumers, and to analyse complaints data from Consumer Direct, looking at the number of complaints over time and the different types of product and reasons for the complaints

- **consumer survey** – GHK used market research company, GfK, to complete a survey of 643 consumers that had recently purchased products/service on the doorstep and/or had started a purchase process but then cancelled it. The survey explored their experiences of and attitudes towards doorstep selling, including their awareness of their rights and the changes to those rights since 2004

- **mystery shopping exercise** – GfK completed 90 mystery shopping assessments, including 45 visits from double glazing companies and 45 visits from mobility aids companies, to examine trader behaviour and compliance with new legislation and regulations

- **stakeholder interviews** – GHK undertook 15 interviews with a range of government and industry stakeholders to discuss how the doorstep market has changed since 2004 and what impact the OFT market study had on doorstep selling, and

- **doorstep seller interviews** – GHK completed a further 15 interviews with doorstep sellers to explore how the doorstep selling practices have changed since 2004 and what impact the OFT market study has had on doorstep selling practices.
2.14  A more detailed overview of the method of approach for the research and fieldwork elements of the evaluation is presented in Annex A of the annexes to this report.

Comparing and contrasting evidence from different sources

2.15  Gathering evidence on specific issues from multiple sources allows for the testing and validation of results through cross verification/examination. For example, it is possible to increase confidence in the evaluation’s findings regarding the behaviour of traders and consumers by looking at multiple sources of information, including the consumer survey, mystery shopping assessments, interviews with stakeholders and traders and desk research. As such, this study ‘triangulates’ these different sources to cross-examine results (rather than draw conclusions on the basis of single sources only).

Comparing results with those obtained in 2004

2.16  The primary research approach used for this evaluation was designed as far as possible to facilitate comparability with the results of the OFT’s 2004 market study. Table 2.1 sets out the areas of similarity and difference between the respective research methods.

2.17  Where survey results are reported in this evaluation, references are made to the statistical significance of observed differences in the results over time. A hypothesis test (involving a two-proportion z-test) is used to determine whether a change in survey results between 2004 and 2011 is significant (that is, whether the change is unlikely to have occurred purely by chance because, for instance, different individuals have been surveyed). Even where differences in survey results over time are not statistically significant, the evaluation does on occasion report on the differences in values over time to provide additional contextual information.

2.18  When comparing results across the two surveys, consideration should be given to the differences in the characteristics of the consumers surveyed in 2004 and 2011, including:

- a greater proportion of respondents in 2011 purchased low and medium value products (87 per cent, relative to 81 per cent in 2004). In particular, over a half of consumers surveyed in 2011 (51 per cent)
were purchasers of low value products that may not be covered by some of the changes to the regulations that resulted from the 2004 market study (as opposed to a corresponding figure of 38 per cent in 2004). However, where relevant, survey results are reported by product value to account for these differences.

- a significantly greater proportion of respondents in 2011 reporting having alternative options to purchase the product in question (68 per cent of consumers surveyed relative to only 27 per cent in 2004), and

- only 20 per cent of consumers surveyed in 2011 had purchased products through solicited doorstep sales visits, as opposed to nearly 30 per cent under the 2004 survey.

### TABLE 2.1 COMPARISON OF RESEARCH METHODOLOGIES FROM THE 2004 OFT MARKET STUDY AND THIS EVALUATION

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<td>Directly comparable although with different levels of confidence and associated error margins. Statistically significant differences in the 2004 and 2011 survey results are cited throughout this report. Further, differences in the sample characteristics in 2004 and 2011 should be considered when comparing results.</td>
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<tr>
<td></td>
<td>• Telephone omnibus: 1,882 interviews</td>
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<td></td>
<td>• Telephone survey: 1,131 long interviews; 4,245 short interviews</td>
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<td>• Face-to-face omnibus: 2,121 interviews</td>
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<td></td>
<td>• Double-glazing – 15 assessors used to gather quotes from 45 suppliers (3 different quotes for each assessor)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Mobility aids – 15 assessors used to gather quotes from 45 suppliers (3 different quotes for each assessor)</td>
<td></td>
</tr>
</tbody>
</table>

Interviews with doorstep traders

<table>
<thead>
<tr>
<th>Interviews with doorstep traders</th>
<th>Face-to-face interviews with 42 doorstep sellers</th>
<th>Telephone interviews with 15 doorstep sellers</th>
<th>Not directly comparable or statistically representative given that both methods are qualitative only</th>
</tr>
</thead>
</table>

Structure of this report

2.19 The remainder of this report presents the findings and sets out conclusions. It is structured as follows:

- Chapter 3, on ‘Doorstep sales’, summarises the current features of the doorstep sales channel, including the scale and scope of doorstep sales in terms of the type of traders and the volume of their sales completed in a consumer’s home

- Chapter 4, on ‘Non-Monetised Impacts’, presents quantitative and qualitative evidence on the implementation of the OFT’s recommendations and the changes this has delivered in doorstep sales
• Chapter 5, on ‘Monetised Impacts’, presents monetary estimates of impact where feasible, and

• Chapter 6, on ‘Conclusions’, summarises the evaluation findings and draws key conclusions.

2.20 The report is accompanied by annexes containing additional information and analysis referred to in this report.
3  DOORSTEP SALES

3.1 Prior to evaluating the impact of the OFT’s recommendations on consumers, this section describes the doorstep sales channel in the UK, including the scale and nature of doorstep sales and how it has changed since 2004.

3.2 It is important to define doorstep sales and consider relevant developments and changes over time for a number of reasons, including:

- to develop an understanding of the different products and services that comprise doorstep sales in the UK, the size of these markets and their significance in terms of total consumer expenditure

- to identify the different types of consumers in this market and, in particular, the importance of specific products and services to vulnerable customers who are unable to make purchases outside the home, and

- to identify the relative share of doorstep sales represented by those products covered by specific provisions of the doorstep selling rules and regulations (particularly with respect to cooling off periods and cancellation rights).

3.3 The findings presented herein provide important contextual evidence for the subsequent sections of this report which document the key findings regarding the experiences of consumers with doorstep sales and how these have changed over time.

The nature of the doorstep sales channel

3.4 This subsection presents evidence on the nature and scope of the doorstep sales channel in the UK. It begins by describing the starting point for defining the doorstep sales channel – the definition used by the OFT for its 2004 market study – before updating this definition to reflect changes in doorstep sales since that time.

3.5 Establishing the nature/scope of the doorstep sales channel is a two-step process. The first step is to define the act of ‘doorstep selling’ and the second step is to establish the types of industry sectors and traders that utilise this sales channel. The act of doorstep selling is discussed in Box
3.1 below before the rest of this section outlines the specific sectors engaged in doorstep selling and how this has changed since 2004.

**BOX 3.1 DEFINING ‘DOORSTEP SELLING’**

A key aspect of the OFT’s 2004 market study and this evaluation report is to define the term ‘doorstep selling’.

Doorstep selling is the practice of selling goods and services where the contract is concluded in the consumer’s home or on their doorstep. The OFT did not consider purchases made from catalogues, mail order or the internet as doorstep sales. Nor did they cover sales where the contract is concluded after the sales visit, for example by accepting an estimate at a later date. The issues relating to doorstep credit did not fall under the scope of the 2004 market study.

The focus of the market study, and therefore this evaluation, is on the practices and experiences of legitimate doorstep sales, rather than rogue/bogus traders.

Doorstep selling takes place in two ways:

- solicited, where the consumer actively initiates the visit by the salesperson, for example by specifically requesting a visit in response to an advertisement, and
- unsolicited, where the visit does not take place at the express request of the consumer, for example where a salesperson makes a cold call.

**The OFT’s 2004 market study definition**

3.6 The OFT’s market study categorised doorstep sales into three different transaction values:

- low value purchases of less than £35
- mid-value purchases of £35–£500, and

11 The £35 cut of point is consistent with the doorstep selling regulations. Cancellation rights do not apply to sales below £35.
• high value purchases in excess of £500.

3.7 Further, to assist the research and information gathering for the 2004 market study, it was decided to focus the scope of the high value products on those that could potentially generate the greatest detriment for consumers as a result of doorstep sales. These products were defined as those with a potentially large financial detriment for consumers, those targeted at more vulnerable consumers and those for which doorstep selling represented a significant distribution channel and a large proportion of overall sales. As a result, the OFT decided to focus its market study on high value doorstep purchases in two key areas:

• home improvements, and in particular double-glazing and conservatories, and

• assistive products for consumers with disabilities.

3.8 Consequently, the 2004 market study defined doorstep sales as comprising purchases of low and mid-value products and services, and high value purchases of home improvements, mobility products and hearing aids. Doorstep energy sales were also considered by the market study, although these were excluded from the total market estimates as described below. Further, despite the likelihood that it represents a significant share of total doorstep sales, doorstep credit was excluded from the market study as it was considered likely to include issues beyond the selling practices of doorstep traders.

3.9 For these reasons, the definition used by the OFT in 2004 captured most, but not all, doorstep sales.

The nature of doorstep sales today

3.10 The approach used by the OFT in its 2004 market study in defining the nature/scope of the doorstep sales channel provides a starting point for this study. However, in-depth research undertaken as part of this evaluation highlights changes in the nature of doorstep sales since 2004.

3.11 Trade associations and other key stakeholders interviewed as part of this study reported a number of significant changes to doorstep sales since 2004. The findings of this research suggest that the major doorstep selling products of double-glazing, conservatories and mobility aids have
not changed radically in terms of the overall value of doorstep sales, although there have been more significant changes in terms of:

- increasing breadth of low value household goods, cleaning products, cosmetics and toiletries sold through direct selling which Direct Selling Association (DSA) representatives suggest has increased sales despite increasing competition from internet sales
- significant growth of energy-efficient and micro-generation products and services such as loft and cavity wall insulation, solar panels, wind turbines and heat pumps
- energy doorstep sales, which increased after 2004 before declining during 2011 as a result of major energy suppliers suspending their doorstep selling activities, and
- increasing doorstep sales of other 'utilities' such as telephone, broadband, television, cable and satellite services.

3.12 These changes were reflected in the consumer survey undertaken for this evaluation study as described further below (Box 3.2). This helped to inform further the definition of the nature and scope of doorstep sales based on the goods and services most commonly purchased by consumers on the doorstep.

**BOX 3.2 CONSUMER PURCHASES VIA DOORSTEP SELLING, 2011**

The consumer survey undertaken for this study provides further insights into the types of products and services that comprise the current doorstep sales channel. The survey found that 14.6 per cent of respondents (or approximately 3.8 million UK households) had made a 'doorstep' purchase within the last six months.\(^{12}\) The survey also recorded the different types of products purchased (see below figure).

---

\(^{12}\) A doorstep sale is defined in the survey as a consumer agreeing to the sale of a product of service at the time of a trader’s visit to their home within the last six months, either with or without an appointment, even if this was cancelled or the goods/services were never received.
The goods and services identified as those most commonly purchased ‘on the doorstep’ included: relatively low value cleaning products and services; subscriptions to magazines/newspapers and donations to charities; and the switching of utility suppliers. All of these are relatively low value purchases, with only small amounts of money changing hands at the point of sale. However, the survey also found significant numbers of doorstep purchases of higher value goods and services such as:

- home services, including home repairs, gardening, plumbing and building work, and
- home improvements, including double-glazing, conservatories, fitted kitchens and bathrooms, alarm systems, extensions and heating/energy systems.

Other goods and services purchased ‘on the doorstep’ in the last six months included additional low value products such as food items, cosmetics, jewellery, toiletries, clothing and other household goods. The survey also identified small numbers of doorstep sales of legal services, education and training courses and specialist products for older and disabled people such as mobility products, orthopaedic beds, hearing aids, etc.
The survey responses suggested that 80 per cent of these doorstep sales resulted from unsolicited visits, which is slightly higher than the 71 per cent of sales identified by the 2004 market study. The products and services most likely to be sold through unsolicited visits in 2011 were: subscriptions and donations; utility services; hardware goods and cleaning products; and, food items. The sales most likely to result from invited visits were associated with the more infrequent purchases of: specialist products for older and disabled people; legal services; and education and training courses.

The scale of doorstep sales

3.13 This subsection presents estimates on the scale of doorstep sales as measured through sales revenues. It begins by describing the approach used by the OFT in the original market study to estimate market scale before setting out clearly the approach used in this evaluation to update those estimates.

Estimating the size of doorstep sales in 2004

3.14 The 2004 market study estimated the size of doorstep sales by sourcing and comparing the best available estimates of consumer expenditure (‘top-down estimates’) and/or industry sales (‘bottom-up estimates’) for each of the products included in the above definition of doorstep sales. For some products it was possible to determine the value of doorstep sales directly, although most estimates were based on an estimated proportion of the overall market value for each product that could be attributed to doorstep sales.

3.15 The analysis considered the most appropriate estimates of the size of doorstep sales for each product type, before adding these together to generate an overall market estimate of £2.4 billion of doorstep sales in 2004. This included the following:
- home improvements (for example, double-glazing, conservatories), for which doorstep sales were estimated to total in excess of £2 billion\textsuperscript{13}

- mobility products (for example, scooters and buggies, stairlifts), for which doorstep sales were estimated to total £80 million\textsuperscript{14}

- hearing aids, for which doorstep sales were estimated to total £120 million,\textsuperscript{15} and

- low and mid-value sales of products less than £500 (for example, cosmetics, household goods, cleaning products) for which doorstep sales were estimated to total £200 million.\textsuperscript{16}

\textsuperscript{13} Based on Mintel reports (Mintel, Double Glazing – UK, 2004 and Mintel, Conservatories – UK, 2004), which estimated the value of the UK double glazing market to be £1.8 billion and the UK conservatory market to be £450 million. The 2004 study assumed around 90 per cent of double glazing sales (£1.6 billion) and 60 per cent of conservatory sales (£250 million) were doorstep sales, totalling £1.85 billion. This figure was rounded up to be ‘in excess of £2 billion’ to account for: complementary products supplied by double glazing and conservatory installers such as guttering and fascia panels; and, other home improvement products.

\textsuperscript{14} This included estimated doorstep sales of £45 million for stairlifts (based on data from the Lifts and Escalators Association), and £30 million for scooters and buggies. The scooters and buggies estimate was based on the assumption that at least 50 per cent of mobility aids are purchased privately (ONS, Living in Britain Survey, 2001). Since 98,000 electric wheelchairs and 115,000 scooters and buggies were estimated as being in use in Britain (ONS, Living in Britain Survey, 2001), it is assumed that around 115,000 (that is, the scooters and buggies) were purchased privately, with annual sales of 20,000 based on a life expectancy of five to six years. The estimated value of £30 million is based on an average price of £1,500 (based on the findings of the mobility aid mystery shopper exercise undertaken as part of the 2004 market study). The combined stairlifts and scooter/buggy doorstep sales estimate of £75 million was rounded up to be ‘in excess of £80 million’ to account for doorstep sales of other mobility products and to match the Keynote estimate of £80 million in sales of disability aids and equipment to private individuals (Keynote, Equipment for the Disabled, 2001).

\textsuperscript{15} Based on information sourced from the former DTI.

\textsuperscript{16} Based on an unpublished report by IRN Research, which was itself based on ‘various market reports’ and their ‘own research’, and data from the Direct Selling Association which estimated the total value of direct sales to be £1.67 billion (although this is much broader than doorstep sales), of which doorstep cosmetic sales are estimated to be £90 million alone.
3.16 The 2004 market study also estimated the annual value generated by doorstep ‘energy supplier switching’, although this was excluded from the overall market estimate of £2.4 billion. The total value of doorstep energy savings achieved as a result of doorstep switching was estimated at an additional £85 million per annum.\(^\text{17}\)

**Estimating the current size of doorstep sales**

3.17 The key challenges for this study were to:

- produce updated estimates of doorstep sales that are comparable with the 2004 market study estimates and definition of doorstep sales, and

- expand these estimates to provide a more comprehensive and updated definition and value estimates for doorstep sales.

3.18 A detailed description of the updated market estimates is presented below:

- doorstep sales of low and mid-value products are estimated to have risen from £200 million in 2004 to £300 million in 2010 based on the definition used by the OFT in 2004. When this definition is updated to reflect changes in the nature and scope of that market since 2004, this figure rises to £815 million in 2010

- doorstep sales of double-glazing and conservatories are estimated to have increased from £1,850 million in 2004 to £2,740 million in 2010

\(^{17}\) Based on Ofgem data that some 7.3 million electricity and mains gas customers switched suppliers in the year to January 2004 and around four million customers switched ‘on the doorstep’ (assuming 61 per cent of energy sales are doorstep sales, according to MORI, Experience of the Competitive Market, 2001). These four million customers account for around nine per cent of the 44 million total number of electricity and gas customers, so it is estimated that doorstep energy sales total £1.2 billion (nine per cent of the total domestic gas and electricity consumption of £13.4 billion, according to ONS, Consumer Trends Q3 2003, Table 04.CN). Ofgem data show that the median customer may expect to save seven per cent of their annual bill, which is equivalent to around £85 million in total (seven per cent of £1.2 billion).
• doorstep sales of other home improvements are estimated to have remained constant at £150 million based on the definition used in the 2004 market study. When this definition is updated to reflect changes in the nature and scope of doorstep sales and renewed assumptions about the scale of doorstep sales, this market estimate increases to £1.0 billion in 2010.

• doorstep sales of mobility products are estimated to have declined from £80 million in 2004 to £75 million in 2010, while doorstep sales of hearing aids are estimated at £65 million in 2010, which is significantly lower than the 2004 estimate of £120 million, and

• energy bill savings, resulting from consumers switching suppliers on the doorstep, are estimated to have increased from £85 million in 2004 to £250 million in 2010. However, these figures will have since fallen after a number of major energy suppliers suspended doorstep selling activities in 2011.

**Comparisons with the 2004 market study estimates**

3.19 Table 3.1 presents the 2004 estimates of doorstep sales in terms of their original value and inflated to 2010 prices. This enables comparison with the updated estimates of doorstep sales across these products and services. The updated estimates suggest that the value of doorstep sales has increased to £3.3 billion in 2010. This represents real growth of 19 per cent over the estimates in the 2004 market study, having increased by 2.9 per cent per annum. This increase is due to higher doorstep sales of double-glazing, conservatories and low and mid value products, compared to the 2004 estimates, which has more than offset the lower estimates of doorstep sales of mobility aids, hearing aids and the wider home improvement sector.

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It is unclear what has driven the difference between the two estimates of hearing aid sales (in 2004 and 2010). One or more of the following factors may be responsible: (a) the 2004 estimate was an over-estimate; (b) online sales of cheaper hearing aids have been increasing and substituting for doorstep sales; (c) technological advances which may increase reliability and product life and therefore reduce sales frequencies and volumes; and (d) the impact of Deafness Research UK’s advice not to buy hearing aids on the doorstep unless it is unavoidable.
<table>
<thead>
<tr>
<th>Product/Service</th>
<th>2004 market study estimate</th>
<th>Updated estimate</th>
<th>2010 Prices (£m)</th>
<th>2010 Prices (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002/2004 Prices (£m)</td>
<td></td>
<td>2010 Prices (£m)</td>
<td>2010 Prices (£m)</td>
</tr>
<tr>
<td>Low &amp; mid-value products</td>
<td>200*</td>
<td>235</td>
<td>300</td>
<td></td>
</tr>
<tr>
<td>Home improvements</td>
<td>2,000 + *</td>
<td>2,330 +</td>
<td>2,890</td>
<td></td>
</tr>
<tr>
<td>Double-glazing</td>
<td>1,600*</td>
<td>1,860</td>
<td>2,350</td>
<td></td>
</tr>
<tr>
<td>Conservatories</td>
<td>250*</td>
<td>290</td>
<td>390</td>
<td></td>
</tr>
<tr>
<td>Other home improvements</td>
<td>150 + *</td>
<td>180 +</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Mobility products</td>
<td>80 + ^</td>
<td>100 +</td>
<td>75</td>
<td></td>
</tr>
<tr>
<td>Wheelchairs &amp; scooters</td>
<td>30*</td>
<td>35</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Stairlifts</td>
<td>45^</td>
<td>55</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Other Mobility Products</td>
<td>5 + *</td>
<td>10 +</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Hearing aids</td>
<td>120*</td>
<td>140</td>
<td>65</td>
<td></td>
</tr>
<tr>
<td>Total doorstep sales (incl energy savings)</td>
<td>2,485</td>
<td>2,910</td>
<td>3,580</td>
<td></td>
</tr>
<tr>
<td>Total doorstep sales as a proportion of total consumer expenditure</td>
<td>0.33%</td>
<td>0.33%</td>
<td>0.37%</td>
<td></td>
</tr>
<tr>
<td>Doorstep energy savings</td>
<td>85^</td>
<td>105</td>
<td>250</td>
<td></td>
</tr>
<tr>
<td>Total doorstep sales (incl energy savings)</td>
<td>2,485</td>
<td>2,910</td>
<td>3,580</td>
<td></td>
</tr>
<tr>
<td>Total doorstep sales as a proportion of total consumer</td>
<td>0.34%</td>
<td>0.34%</td>
<td>0.40%</td>
<td></td>
</tr>
<tr>
<td>Product/Service</td>
<td>2004 market study estimate</td>
<td>Updated estimate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------------</td>
<td>-----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2002/2004 Prices (£m)</td>
<td>2010 Prices (£m)</td>
<td>2010 Prices (£m)</td>
<td></td>
</tr>
<tr>
<td>expenditure</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Notes: * 2004 prices; ^ 2002 prices

3.20 These ‘declining’ product categories (that is, other home improvements and specialist products for the elderly and disabled) are those which have been the subject of complaints made to Consumer Direct.¹⁹ This suggests that the growth of doorstep sales has been driven by products with lower levels of complaints and higher consumer satisfaction, which has more than offset the reduction in other product areas where consumer complaints are higher and satisfaction is lower.

3.21 Table 3.1 also presents the respective estimates in terms of their share of overall consumer expenditure in the UK (in 2004 and 2010 prices). It shows that the doorstep sales channel has increased its share of total UK consumer expenditure from 0.33 to 0.37 per cent for total doorstep sales excluding energy savings (and increased from 0.34 to 0.40 per cent for doorstep sales including energy savings). This suggests that doorstep selling has become slightly more common between 2004 and 2010, with increasing purchases on the doorstep vis-a-vis other sales channels.

**BOX 3.3 COMPARABILITY OF DOORSTEP SALES ESTIMATES**

The above analysis provides updated estimates of the scope and scale of doorstep sales and aims to maximise comparability with the 2004 estimates and definition of doorstep sales. However, the comparability of results is limited to a degree by the lack of consistent and reliable information and data relating to doorstep sales.

¹⁹ These products have been subject of more complaints to Consumer Direct on the basis that their share of all doorstep selling complaints is significantly higher than their respective shares of the doorstep sales channel (particularly given the high value of these products). While some low value products also have a relatively large share of complaints, compared to their market share, the high quantity and low value nature of these markets suggests that the ratio of complaints to purchases will be significantly lower. Complaints to Consumer Direct are discussed in Chapter 4.
The extent to which the estimates are comparable depends upon the different data sources and market definitions used. This has been summarised below for each of the key product types:

- the basis on which the 2004 estimates of low and mid-value products were formed is not always clear in terms of the sources used and the scope of doorstep sales. The updated estimates are based upon a share of the total direct selling market (and discussions with DSA representatives) to ensure as far as possible consistency with the 2004 figures

- the 2004 and 2010 estimates of the double-glazing and conservatory markets are based on different sources but should be comparable given the standard definition of this market

- there is a certain lack of clarity regarding the 2004 estimates of ‘other home improvements’. However, the use of ONS consumer expenditure data from 2004 and 2010 should ensure consistency and comparability between the two sets of estimates

- there are conflicting estimates of the current size of doorstep sales for mobility products, and a lack of clarity regarding the 2004 market estimates for hearing aids. This has required the use of a range of different sources to estimate these markets, which inevitably increases the potential for comparability issues, and

- the estimates of doorstep energy savings from switching suppliers on the doorstep are consistent and comparable since the 2004 and 2010 estimates use the same Ofgem data and market definition.

In conclusion, the updated estimates developed for this study are judged to provide the most robust, consistent and comparable estimates possible, given the information and data available. While there are no specific examples to suggest that the estimates are incomparable, the use of different sources and a lack of clarity around some of the 2004 estimates means that it is not certain that the estimates are perfectly comparable. However, even with these caveats, these estimates provide robust, credible and consistent estimates of the scope and scale of doorstep sales and its share of total consumer expenditure in the UK.
3.22 Finally, Figure 3.2 presents a comparison of the estimated growth of doorstep sales between 2004 and 2010 and the growth in GDP and consumer expenditure over the same period. It shows that the value of doorstep sales is estimated to have increased by between 5.6 per cent and 6.3 per cent per annum in nominal terms and between 2.9 per cent and 3.5 per cent per annum in real terms, after taking account of inflation, and depending on whether energy savings are included. The doorstep sales channel is therefore estimated to have grown significantly faster than UK GDP and total consumer expenditure over the period from 2004 to 2010.

**FIGURE 3.2 COMPARISON OF ANNUAL GROWTH ESTIMATES**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>UK GDP</td>
<td>0.7%</td>
<td>3.3%</td>
</tr>
<tr>
<td>UK Domestic Consumer Expenditure</td>
<td>0.7%</td>
<td>3.3%</td>
</tr>
<tr>
<td>Total doorstep sales</td>
<td>2.9%</td>
<td>5.6%</td>
</tr>
<tr>
<td>Total doorstep sales</td>
<td>3.5%</td>
<td>6.3%</td>
</tr>
<tr>
<td>(incl energy savings)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


**Total doorstep sales**

3.23 Table 3.2 presents the overall estimates of doorstep sales based on an updated definition of the nature and scope of doorstep sales. It uses the best available evidence to produce estimates of each of the major products and services sold on the consumer’s doorstep and has updated and developed the definitions and estimates from the 2004 market study. The products and services included in Table 3.2 provide a more
accurate representation of current doorstep sales than the 2004 definition, although some small sectors such as legal services, education and training courses and holiday and timeshare agreements remain excluded.

**TABLE 3.2 DOORSTEP SALES ESTIMATES (BASED ON AN UPDATED DEFINITION OF DOORSTEP SALES)**

<table>
<thead>
<tr>
<th>Product/Service</th>
<th>Updated estimate 2010 Prices (£m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total low &amp; mid-value products</td>
<td>815</td>
</tr>
<tr>
<td>Low &amp; mid-value products (2004 definition)</td>
<td>300</td>
</tr>
<tr>
<td>Cleaning services</td>
<td>430</td>
</tr>
<tr>
<td>Subscriptions &amp; donations</td>
<td>85</td>
</tr>
<tr>
<td>Home improvements</td>
<td>3,740</td>
</tr>
<tr>
<td>Double-glazing</td>
<td>2,350</td>
</tr>
<tr>
<td>Conservatories</td>
<td>390</td>
</tr>
<tr>
<td>Other home improvements (2004 definition)</td>
<td>150</td>
</tr>
<tr>
<td>Additional home improvements</td>
<td>850</td>
</tr>
<tr>
<td>Mobility products</td>
<td>75</td>
</tr>
<tr>
<td>Hearing aids</td>
<td>65</td>
</tr>
<tr>
<td><strong>Total doorstep sales</strong></td>
<td><strong>4,695</strong></td>
</tr>
<tr>
<td>Total doorstep sales as a proportion of total consumer expenditure</td>
<td><strong>0.52%</strong></td>
</tr>
<tr>
<td>Doorstep energy savings</td>
<td>250</td>
</tr>
<tr>
<td><strong>Total doorstep sales (incl energy savings)</strong></td>
<td><strong>4,945</strong></td>
</tr>
<tr>
<td><strong>Total doorstep sales (incl energy savings) as a proportion of total consumer expenditure</strong></td>
<td><strong>0.55%</strong></td>
</tr>
</tbody>
</table>
3.24 This task has required a number of assumptions and caveats as described above and highlights the lack of accurate and reliable information on the size and nature of doorstep sales.

3.25 However, the above estimates combine to create an overall value of doorstep sales of £4.7 billion per annum, excluding energy savings, which represents 0.52 per cent of total consumer expenditure in the UK. This is significantly higher than the 2004 estimate as a result of updating the definition of doorstep sales and estimates of the value of the individual products and services. The doorstep sales channel is dominated by the home improvement sector which is estimated to contribute 80 per cent of the value of total doorstep sales.

3.26 The total value of doorstep sales increases to almost £5 billion (0.55 per cent of UK consumer expenditure) after including the energy savings resulting from switching energy supplier on the doorstep.

3.27 The growing size of the doorstep sales channel is likely to reflect, in part, the benefits of doorstep selling over alternative sales methods/channels for certain consumers. For instance, doorstep selling avoids the need for consumers to travel, providing opportunities for home demonstrations and discussions with suppliers, and making consumers aware of products and services that they might not otherwise have heard of. Doorstep selling therefore provides a convenient sales channel for consumers, which is particularly important for less mobile customers, such as the elderly or disabled, who cannot easily rely upon other sales channels. The consumer survey found that 30 per cent of those making purchases on the doorstep were unable to easily purchase the product in another way, which could represent around £2 billion of total doorstep sales in the UK based on the above market estimates.

3.28 However, as discussed later in this report, the convenience of the channel raises potential concerns that are more prevalent in doorstep sales than other channels, for example the risk of pressure sales techniques being used and the risk that there is less opportunity to shop around and compare prices.
Changes in policy and regulation

3.29 In addition to changes in the nature and scale of doorstep sales since 2004, there have been a number of major changes to consumer protection policies and regulations (including self-regulation) over the same period as well as on-going efforts at the EU level to harmonise consumer protection arrangements across Member States. These are described below and provide relevant context for considering the impacts of the OFT’s market study on consumer welfare.

Existing consumer protection arrangements in 2004

3.30 Prior to the OFT’s market study, there were inconsistencies in consumer protection arrangements between solicited and unsolicited doorstep sales, which created uncertainty and conflicting messages for consumers, and did not provide appropriate levels of protection. Although the ‘Doorstep Selling Regulations 1987’\(^{20}\) provided a seven-day ’cooling off’ period for contracts made in the home,\(^{21}\) this only applied if the visit was unsolicited (or followed an unsolicited doorstep or telephone approach) and was not extended to sales made during solicited calls.

3.31 The rationale for this distinction was that if consumers were not prepared for the visit they would be more susceptible to pressure sales techniques and did not have the opportunity to shop around and judge whether the trader was offering a good deal. A cooling-off period allows consumers to reflect on their purchase after the salesperson has left and cancel the contract if required. For solicited sales the presumption was that the consumer, having invited the salesperson, would be better prepared and consequently not as susceptible to sales pressure.\(^{22}\)

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\(^{20}\) The Consumer Protection (Cancellation of Contracts concluded away from Business Premises) Regulations 1987 – the ‘Doorstep Selling Regulations’

\(^{21}\) For goods and services with a value of £35 and above.

Market study recommendations

3.32 The OFT’s 2004 market study assessed whether doorstep selling consumers were suitably protected against potential detriment. It explored the problems identified as being associated with doorstep selling, including a number of key issues such as whether the existing consumer protection arrangements were effective and sufficient and whether consumers were aware of their rights and equipped with the right information.

3.33 The study found that consumers were vulnerable in their own homes and could be exploited by pressure selling techniques regardless of whether the visit was solicited or not. Furthermore, most issues were found to involve high value purchases through solicited visits, where there was no cooling off period, and price variability was identified as a particular issue. However, the study also found that even for unsolicited visits, consumers were generally unaware of their rights, while traders were exploiting legal loopholes which was undermining the cooling off periods.

3.34 The study included a series of recommendations to improve the operation of the doorstep sales channel, which included:

- making cooling off periods and cancellation rights applicable in all sales which take place away from business premises, whether or not the sales visit was solicited by the consumer

- amending the Doorstep Selling Regulations to require information on cancellation rights and how they may be exercised to be more prominently and clearly displayed in contracts, with a clear indication of the circumstances in which cancellation rights might be lost

- amending Regulation 7(2)(iv) of the Doorstep Selling Regulations, to avoid the undermining of cooling off periods by traders using the ‘right to recover payment’ if contracts are cancelled, so that this protection for traders applies only where a consumer asks for work to commence within the cooling off period and is aware of the effect on cancellation rights

- prohibiting goods being delivered, work taking place, or payment being made before the cooling off period has elapsed
• banning cold-calling to offer property services (with possible exceptions), and

• requiring doorstep traders to provide greater transparency on prices for their products and a greater willingness to provide written quotes.

3.35 In addition, the OFT stated that it intended to run a national consumer education campaign to provide consumers with information on their rights when buying on their doorstep and the benefits of shopping around. The campaign also aimed to inform consumers of the psychological techniques used by doorstep sellers and give advice on how to combat them.

Implementation of recommendations

Cooling off periods and cancellation rights

3.36 In response to these recommendations, the Government extended the cooling-off periods and cancellation rights to solicited visits, initially within the Consumers, Estate Agents and Redress Act 2007, before the 'Cancellation of Contracts Made in a Consumer’s Home or Place of Work etc. Regulations 2008' came into force. The new regulations not only extended cooling off periods to solicited visits but also introduced the requirement that cancellation notices be provided within contracts. This ensured that consumers making purchases on the doorstep were protected by consumer protection arrangements that were appropriate and consistent with those provided through the other sales channels as presented in Table 3.3 below.
<table>
<thead>
<tr>
<th>Consumer protection arrangements</th>
<th>Online</th>
<th>Mail-order</th>
<th>Phone</th>
<th>Doorstep</th>
<th>In-store</th>
</tr>
</thead>
<tbody>
<tr>
<td>Right to cancel / return</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
<td>✗</td>
</tr>
<tr>
<td>Cooling off periods</td>
<td>7 working days from the day of receipt of the goods (or 7 working days from the day of order for services)</td>
<td>7 working days from the day of receipt of the goods (or 7 working days from the day of order for services)</td>
<td>7 working days from the day of receipt of the goods (or 7 working days from the day of order for services)</td>
<td>7 calendar days from the date of receipt by the consumer of a notice of the right to cancel</td>
<td>-</td>
</tr>
<tr>
<td>Cancellation rights required</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>✗</td>
</tr>
</tbody>
</table>
in contracts

Notes: * except personalised goods; audio/visual recordings or computer software; newspapers, magazines and periodicals; gaming, betting or lottery services; and, goods with prices dependent upon financial markets. ^ except for goods or services that are worth less than £35; perishable goods; and, land, insurance, credit and investment agreements.
Price transparency

3.37 The encouragement of greater transparency on prices and willingness to provide written quotes was also backed by Government and was taken forward through industry self-regulation, by encouraging traders to operate under approved Codes of Practice. Many trade bodies – including the Direct Selling Association (DSA), British Healthcare Trades Association (BHTA), the Glass and Glazing Federation (GGF) and Fairtrades – have introduced codes of practice to explain what member businesses should and should not do.

3.38 The OFT is also supporting industry-led initiatives of self-regulation through its Consumer Codes Approval System (CCAS), which approves these codes of practice if it is satisfied that it provides a higher level of consumer protection and service than that required by law. There are currently 10 codes of practice that have already achieved OFT approval. Two of these are particularly relevant for doorstep selling, including:

- The DSA, which was established in 1965 and represents 40 direct selling businesses (including Avon, Betterware and Kleeneze) with combined sales in excess of £2 billion.\(^\text{23}\) The DSA Consumer Code of Practice ensures that direct sales customers have equal rights and protection as those offered by traditional forms of retailing. It contains a large number of requirements for members to adhere to, which deliver a variety of benefits for consumers including:
  - a 14-day cooling off period during which consumers can cancel the contract (above the statutory minimum of seven days)
  - a consumer guide to shopping at home
  - guidance and training to direct sellers to ensure they act with integrity and do not use misleading, deceptive or unfair practices
  - a free independent arbitration scheme, and

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\(^{23}\) [http://dsa.org.uk/direct_selling/member_companies/P20](http://dsa.org.uk/direct_selling/member_companies/P20)
Regular compliance audits and consumer satisfaction surveys with a disciplinary committee to deal with members who do not comply with the code.24

- The BHTA, which was founded in 1917 and comprises more than 400 members providing a range of healthcare products.25 The code requires members to operate ethically and take customers’ vulnerability into account. All BHTA members have agreed to adhere to a detailed list of principles, including:
  
  - to protect pre-payments and deposits paid by consumers
  
  - not to use high-pressure selling techniques and encourage a carer or advisor to be present during home visits
  
  - to issue a ‘cancellation card’ with all contracts, making it easier for consumers to cancel within the cooling off period
  
  - to ensure that consumers have access to a free independent redress scheme if things go wrong, and
  
  - an independent disciplinary procedure to deal with non-compliant members.26

3.39 Other OFT approved codes of practice that are also relevant for doorstep selling include those operated by the Debt Managers Standards Association (DEMSA) and the Institute of Professional Will Writers, while the Renewable Energy Association is currently working towards OFT approval for its own code of practice. Most of the other approved codes of practice relate to motor vehicles and particularly vehicle servicing and repair.

24 Direct Selling Association (DSA), Code of Practice for Consumers, Amended November 2010.

25 www.bhta.net

26 British Healthcare Trades Association (BHTA), It’s All About Trust - BHTA Code of Practice for the healthcare and assistive technology products and services industry, Updated September 2009.
3.40 In addition to the OFT approval system, there are other ‘umbrella’ schemes in place, including:

- **TrustMark** – a scheme launched in 2006 and supported by BIS, trade bodies, local trading standards and consumer groups to help consumers find reliable and reputable trades people to carry out repair, maintenance and improvement work inside and outside their homes. Consumers using TrustMark registered firms also benefit from deposit protection insurance, insurance back warranties and a clear, user-friendly complaints procedure. TrustMark currently has approximately 20,000 tradesmen, which represents around 14 per cent of the 148,000 home improvements and repair businesses estimated by TNS-BMRB to be operating in the UK.\(^{27}\) TrustMark registered firms are checked and monitored against recognised standards by the approved scheme operators (that is, trade associations, local authorities/trading standards, certification inspection schemes and commercial organisations). This includes:
  
  - initial and on-going checks to monitor quality of work, trading practices and customer satisfaction
  - checking the trading record and financial status of members, and
  - members signing up to a code of practice that includes insurance, good health and safety practices and customer care.

- **The Local Authority Assured Trader Schemes Network (LAATSN)** – a network of 22 assured trader schemes run by local authorities to help consumers find trustworthy local businesses. Businesses that sign up to the schemes get support and promotion from their local authority Trading Standards Services (TSS), provided that they commit to all trading standards legislation and civil law obligations, including the prohibition of high pressure selling, and have effective complaints procedures. The schemes differ and have been developed separately but share the common aims of:

providing a reliable way for consumers to find businesses they can trust

offering a source of help and advice if things go wrong, and

enabling local business to demonstrate that they have signed up to national standards of consumer care.

3.41 There are many other approved trader, industry-led, self-regulatory schemes specific to individual industries or sectors. For example, there is a particularly large number of schemes operating in the double-glazing and conservatory sector including: The Glazing Ombudsmen (TGO); the Fenestration Self-Assessment Scheme (FENSA); DGCOS; the GGF; and, Certass, a competent person scheme covering the installation of windows, doors and associated products.

Other recommendations and awareness raising activities

3.42 The market study recommendations have also been supported by the Consumer Protection from Unfair Trading Regulations 2008, which came into force in May 2008. These regulations help to provide a more effective consumer protection regime which reduces consumer detriment and encourages higher standards of trader behaviour. They prohibit unfair commercial practices including: misleading consumers though the actions of the trader and the provision and omission of information; aggressive sales practices, including the use of pressure selling techniques that harass, coerce or provide undue influence over consumers. They also make the important distinction between average and vulnerable consumers.

3.43 The OFT has been delivering campaigns aimed at raising awareness of doorstep selling issues and consumer rights across the population, but with a particular focus on vulnerable consumer groups and/or rogue/bogus (rather than legitimate) traders. These campaigns have included:

- an awareness raising campaign to inform consumers about their new rights under the Doorstep Selling Regulations in 2008

- the 2009 ‘Your Doorstep, Your Decision’ campaign, which aimed to raise awareness of how to handle doorstep sales tactics and the
risks of rogue traders. This campaign was aimed primarily at women over 70 along with their families, friends and carers

- the 2010 campaign, delivered in collaboration with Age UK, to warn older consumer about the danger of rogue traders\(^{28}\), highlighting the financial risks and the emotional toll it can take, and encouraging elderly consumers to refuse doorstep offers of ‘on the spot’ building repairs and maintenance, and

- the current 2011/12 campaign, which aims to focus on encouraging consumers to exercise caution and seek reassurance before agreeing to buy mobility aids on the doorstep.

**On-going developments**

3.44 The EU Consumer Rights Directive\(^ {29}\) includes provisions to further enhance consumer protection standards in the UK and across the EU. The EU Member States recently adopted the Directive on Consumer Rights, to be enforced across the EU 27 within two years. The Directive seeks to harmonise consumer protection standards across the EU internal market and to regulate, among other sales practices, doorstep selling (or ‘direct selling’\(^ {30}\)). Key provisions in the context of doorstep selling include increased stringency vis-à-vis price transparency of the information supplied by traders and the extension of the ‘cooling off’ period to 14 days following a purchase (as opposed to seven days under the existing law).

3.45 The European Commission undertook an extensive consultation and impact assessment of relevant initiatives in place in the Member States

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\(^{30}\) Thus far regulated under the Directive on the protection of consumers in respect of contracts negotiated away from business premises (85/577/EEC), 1985 (or the ‘Doorstep Selling Directive’)

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prior to initiating this legislation. The key problems identified in relation to doorstep selling may be summarised as follows:\footnote{European Commission (2008): ‘Accompanying document to the Proposal for a directive on consumer rights: Annexes’, available at \url{http://ec.europa.eu/consumers/rights/docs/proposal_annex_en.pdf}}

- the majority of consumer complaints in the UK pertain to \textit{solicited sales visits} made by traders as opposed to unsolicited calls\footnote{OFT data document that there were 32,000 complaints relating to solicited trader visits in the UK between February and October 2007, relative to 6,800 complaints regarding unsolicited visits.}

- several concerns arise in the \textit{definition} of solicited and unsolicited visits, with a few issues in particular falling outside the scope of the existing law and constituting loopholes vulnerable to abuse by unscrupulous traders. For instance, aggressive street sales and contracts concluded on temporary business premises (for example, a hotel rented by a seller) are excluded; there is evidence that such loopholes have been exploited in Germany to the detriment of consumers,\footnote{Ibid.} and

- as regards the imposition of a \textit{‘threshold’ contract value}, such that the provisions of cooling off periods and withdrawal rights would not apply to products valued at less than the threshold, the Commission’s consultation revealed that Member States were divided on the issue.\footnote{European Commission (2008): ‘Responses to the consultation on the Council Directive 85/577/EEC of 20 December 1985 to protect the consumer in respect of contracts negotiated away from business premises: Summary’}

Some Member States were in favour of the status quo (under which Member States may set their threshold values at their own discretion), whereas others were in favour of removing thresholds altogether. Consumer organisations favoured the latter option, pointing out that thresholds present loopholes which unscrupulous traders may exploit (for instance, by selling products at less than the threshold value, or by breaking down an offer into a number of different offers in order to avoid falling under...
the purview of the legislation) and that there were significant variations in purchasing power across the EU, in particular between the old and new Member States.

3.46 In a discussion paper, the Commission also considered two specific issues pertaining to doorstep sales not regulated at the EU level at the time of consultation, in the context of which certain Member States have introduced legislation in a bid to protect consumers:

- time restrictions on doorstep selling: Restrictions to the times of the day when doorstep sellers may call upon consumers have been imposed in Belgium, Hungary and Slovakia to prevent visits at unsociable hours. However, the Commission’s consultation revealed that business organisations and the majority of Member States did not support this idea; most Member States were of the view that the Unfair Commercial Practices Directive was best positioned to regulate trader behaviour,\(^\text{35}\) and

- ban on payments during the cooling off period: Another issue considered was the potential to impose restrictions and/or bans on payments or other forms of remuneration to doorstep sellers in the ‘cooling off’ phase. Only seven Member States, however, approved of this proposition, with the rest inclined to support business organisations, which emphasised that such bans were likely to be excessively burdensome (this was considered to be the status quo in countries such as France and Belgium, where such restrictions are already in place).\(^\text{36}\)

\(^{35}\) Ibid.

\(^{36}\) Ibid.
4 NON-MONETARY IMPACTS

4.1 This chapter presents non-monetised quantitative and qualitative evidence and analysis underlying the assessment of the impact of the OFT’s 2004 market study and related developments. The evidence presented herein should be considered within the context of the OFT’s original market study recommendations set out in Chapter 2.

Estimating outputs, outcomes and impacts

4.2 The evidence and analysis presented in this chapter relates to the outputs, outcomes and impacts associated with the problem areas the OFT identified in its market study and which are set out within the framework for analysis (presented again in Figure 4.1 below). Figure 4.1 highlights the outputs and outcomes for which quantitative or qualitative data and information are presented.

4.3 The evidence and analysis included herein will, invariably, reflect also the impact of market changes that may have occurred since 2004 as a result of factors beyond the direct involvement of the OFT either via its original market study or subsequent consumer campaigns. Although the treatment of 2004 as the counterfactual should be regarded with some caution, in the absence of other identifiable factors and given that the research focuses on those areas where the OFT interventions have been the main driving force, a comparison with doorstep sales in 2004 is reasonable.

4.4 This chapter begins by setting out evidence on the impact of the OFT’s market study on traders, before considering the impact on consumers.

Impact of the OFT’s market study on traders

4.5 This section presents findings on the behaviour and practices of doorstep traders and how these have changed since the OFT’s market study in 2004. The section includes findings pertaining to:

- the sales techniques employed by doorstep sellers
- the extent of price variation in different markets, and
• the provision of written quotes, contracts and cancellation information.
FIGURE 4.1 FINAL OUTCOMES FOR WHICH QUANTITATIVE AND/OR QUALITATIVE INFORMATION ARE PROVIDED

<table>
<thead>
<tr>
<th>Rationale</th>
<th>Inputs</th>
<th>Activities</th>
<th>Outputs</th>
<th>Intermediate outcomes</th>
<th>Final outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve the functioning of the doorstep selling market and improve consumer welfare through remedies to address failures and concerns</td>
<td>Costs of undertaking the OFT's market study</td>
<td>Cancellation rights extended to solicited visits</td>
<td>Increase in consumer rights in relation to cancelling a contract</td>
<td>Consumers aware of their new rights</td>
<td>Increase in consumer confidence when buying from home</td>
</tr>
<tr>
<td></td>
<td></td>
<td>7 day cooling off period extended to solicited visits</td>
<td>Increase in contracts containing clear information on cancellation rights</td>
<td>Consumers aware of pressure sales techniques</td>
<td>Reduction in consumer detriment associated with inappropriate purchases</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Contracts required to clearly display information about cancellation rights</td>
<td>Increase in provision of written quotes</td>
<td>Consumers able to compare prices and shop around for best deal</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Industry self-regulation (price transparency and written quotes) encouraged</td>
<td>Increase in clarity of pricing information</td>
<td>Traders face more competitive pressures based on greater price transparency and consumer rights</td>
<td>Increase in consumer satisfaction with goods and services purchased on the doorstep and the sales process itself</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OFT campaigns in 2008 &amp; 2009 to raise consumer awareness of rights</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Context to the intervention (wider economic, social, environmental and policy conditions)

- = quantitative estimates provided
- = qualitative information only
Sales techniques

The OFT’s findings and interventions

4.6 The OFT’s market study found that some consumers faced intense pressure when making a purchase at home (for solicited as well as unsolicited sales visits). In 2004, the OFT identified a set of sales practices and influencing techniques which, when used in tandem, could potentially lead to consumers making inappropriate decisions.

4.7 In response, the OFT delivered a number of doorstep selling consumer campaigns which, in part, were designed to raise awareness of the sales tactics used and the risks posed by doorstep traders.

Evidence from desk research

4.8 A 2011 research study of mobility aids undertaken as part of the OFT’s mobility aids market study found that while the vast majority of consumers agreed that the sales process was fair, those complaining of unfair treatment and feeling pressured by the salesperson were most likely to have purchased from doorstep sellers. Almost 20 per cent of those buying from doorstep sellers had felt a degree of pressure, with sales techniques reported to include pressure selling and extended visits despite the consumer having asked the salesperson to leave. Consumers reported that if a salesperson was in the home, it was more difficult to refuse an offer or to ask them to leave after receiving the sales pitch if the consumer did not want to make an immediate decision.


38 As one consumer who had received a solicited visit from a trader of adjustable beds told researchers: ‘When he’d been here a while and as the session wore on you could see the pressure was building up, he was determined if he could to get a sale, almost at any cost...We still weren’t interested and this hour demonstration took from seven o’clock until about half past 10 when we got rid of them.’
4.9 The OFT mobility aids market study\textsuperscript{39} also suggests that high pressure and misleading sales techniques relating to mobility aids are concentrated amongst doorstep sales and can include:

- pressing consumers to purchase a product that either does not represent value for money or is not suitable for their needs using the following techniques:
  - extended sales pitches that last for a number of hours
  - refusing to terminate the sales visit when requested by the consumer
  - time-limited discounts whereby the consumer must make an immediate purchase to receive a discount

- misleading claims or omissions regarding the nature of the sales visit – some consumers reported receiving unsolicited telephone calls informing them that they are 'due for an assessment', leading them to believe the caller was from Adult Social Services, when in fact the caller was a trader trying to arrange a sales visit to their home

- misleading claims or omissions regarding prices – some traders quote inflated and unrealistically high recommended retail prices (RRP), which are then reduced to make consumers believe they are receiving a significant discount. These discounts are often ‘time-limited’, thereby adding additional pressure to purchase quickly

- misleading claims or omissions regarding product characteristics – some consumers reported receiving misleading information on the product to make it appear more suitable for their needs

- products falsely claimed as being bespoke – Trading Standards Services (TSS) reported that some products are claimed to be 'bespoke' or custom made, to inflate prices and avoid providing an upfront indication of prices, when in fact these can be prefabricated products made from a range of ‘off-the-shelf’ parts. This technique

can also be used to mislead the consumer that they have foregone their cancellation rights by purchasing a bespoke product

- products falsely claimed as being new – some consumers reported purchasing second-hand products that traders had claimed to be new
- pressure to visit – some traders refuse to give any indication of prices before a home visit, making it impossible for consumers to shop around and research prices beforehand, and
- false advertising – TSS reported that some advertisements in local newspapers offer consumers a free 'assessment', which turns out to be a sales visit, or entice the consumer to enter a competition, thereby obtaining personal details for marketing purposes.

4.10 In addition, Consumer Focus undertook a ‘doorstep selling’ survey in May 2011. The survey found that 41 per cent of consumers felt most under pressure to buy during the doorstep sales process. This was higher than all other sales channels, including telesales (27 per cent), face to face sales in the high street (22 per cent), and online sales, which was considered the sales channel with the least pressure (15 per cent). The survey also identified the groups most likely to feel under pressure during the doorstep sales process to include younger consumers aged 18-24 (56 per cent), older consumers aged 55-64 (also 56 per cent) and women (57 per cent).

4.11 In the OFT mobility aids market study, TSS identified additional issues with some traders of mobility aids, such as purchasing marketing lists which are used to target potential consumers of a certain age, recipients of disability benefits or even consumers suffering from particular health issues. This information can be sourced from lifestyle surveys or details entered into price comparison websites and a number of websites selling

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these marketing lists have been referred to the Information Commissioner's Office (ICO) for investigation.  

4.12 TSS also found that the wages of some mobility aid sales people are based entirely on commission, thereby offering a clear incentive to maximise selling prices. There is also evidence of sales people being instructed to quote an unrealistically high RRP and then phone ‘head office’ before quoting a much lower figure. This aims to deliberately bias consumers' perceptions and alter their behaviour by giving the impression of an exclusive ‘good deal’ whilst still achieving a high price. These practices often encourage consumers to make hasty purchases without shopping around or asking for a better price.

4.13 The OFT has, subsequent to these findings, taken action against mobility aids traders employing unfair sales techniques. In particular, in partnership with TSS, the OFT has recently acted to address unfair business practices that were being used by certain mobility aids sales persons at the local and regional levels, including pressure selling, use of unfair contract terms and conditions and poor customer service.

4.14 The doorstep sales activities of energy suppliers have also received particularly high levels of attention in recent years. Issues with doorstep selling were identified by Ofgem’s retail energy market probe in 2008. This led to the introduction of tougher rules on doorstep energy sales practices ensuring that suppliers provide customers with written estimates before any sales are concluded to enable customers to compare the offer with their current deal, while marketing information should also be clear, accurate and easy to understand.

4.15 In May 2011, Scottish and Southern Energy was found guilty of mis-selling energy using dishonest sales techniques. This was followed in July 2011 by an Ofgem report to the Energy and Climate Change Select

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Committee\textsuperscript{43} which suggested that 40 per cent of those switching energy supplier on the doorstep switched to a higher tariff, suggesting that high pressure selling may continue to play a part in the industry. The Energy and Climate Change Select Committee has since demanded that energy companies found guilty of mis-selling should be forced to compensate their customers.

4.16 Since July, five of the big six energy suppliers (British Gas, npower, EDF Energy, Scottish Power and Scottish & Southern Energy) have suspended their doorstep energy selling activities. Most have stated that this approach is no longer relevant and they want to rethink how to best engage with customers. That leaves E.ON as the only major energy supplier still using doorstep selling at the time this report was published.

4.17 Finally, complaints data from Consumer Direct (reported in greater detail towards the end of this section) shows that the absolute number of complaints relating to pressure selling has remained relatively stable over time and has declined as a share of total doorstep selling complaints.

Evidence from stakeholders and doorstep sellers

4.18 Stakeholders consulted for this study\textsuperscript{44} expressed a range of views on whether sales techniques employed by doorstep sellers had changed in recent years. Some held the view that pressure selling, although still a concern, was less prevalent relative to 2004 owing to increased media attention and consumer awareness and more stringent consumer protection regulation. On the other hand, some stakeholders also emphasised that unfair trade practices continued to be deployed to target more vulnerable consumers (in particular, older people).

4.19 One stakeholder suggested that the commission-based pay system was the root of the problem, as it incentivised sellers to try and conclude sales even in instances where consumers were hesitant – this is


\textsuperscript{44} Trade associations, consumer associations and regulatory bodies.
consistent with the TSS findings outlined above. In key industries such as double-glazing and mobility aids, sales techniques appear to have evolved over time, with sellers sometimes employing misleading tactics, such as presenting themselves as representatives of social services in order to reassure consumers of their legitimacy. This reinforces the findings presented from the OFT’s study into mobility aids.

4.20 Of the fifteen doorstep traders interviewed as part of this evaluation, none openly endorsed the use of high-pressure sales tactics. Several traders asserted that high-pressure selling was ineffective and undesirable. Some sellers also mentioned cold calling, making misleading offers to consumers and criticising rivals as being ineffective sales tactics. The majority of doorstep sellers interviewed expressed the view that ensuring clarity in information provision and offering products best suited to customers’ requirements constituted the most effective techniques for doorstep selling.

Evidence from consumer survey and mystery shopping

4.21 Findings from the consumer survey and mystery shop show misleading sales techniques are still being used. Findings suggest that the most commonly employed sales techniques were price discounting on the condition that the consumer purchase the product in question on the same day (reported by 20 per cent of consumers surveyed) and a high initial price followed by discounting (reported by 17 per cent of consumers surveyed), as shown in Figure 4.2. These figures are higher than the 16 per cent of consumers who cited each of these techniques in the 2004 survey. While the first increase (regarding the proportion of consumers that reported an offer of discounting on the condition that the purchase was made on the same day) is statistically significant, the second (regarding the proportion of consumers who reported a high initial price followed by discounting) is not.

45 All results pertaining to the statistical significance of findings are calculated using a two-proportion ‘z-test’ for statistical significance, with confidence intervals of 95 per cent applied throughout.
4.22 Consumers who purchased higher value products were even more likely to have encountered sellers employing these sales techniques relative to medium value product consumers, with consumers who purchased lower value products being substantially less likely to have come across the same. Over a half of consumers who bought high value products (53 per cent) reported that that the seller had followed up with a discount on a higher initial pricing offer, with 50 per cent of high value product consumers also stating that they had been offered discounts on price subject to the purchase being completed on the same day. These percentages represent statistically significant increases over the corresponding figures under the 2004 survey (33 per cent and 31 per cent respectively).46

46 Statistically significant increases were also visible in the percentages of medium value product purchasers who reported having come across these techniques in 2011 relative to 2004, although these increases were slightly less marked: 20 per cent of medium value product consumers surveyed in 2011 had been offered a discount on a high initial price (relative to 14 per cent in 2004), while 30 per cent of these consumers reported that sellers had offered them...
4.23 Sellers of home improvement products were most likely to employ each of the above mentioned tactics (over 50 per cent practised each technique). Sellers of home services products (including home repairs) were also fairly likely to employ price discounting on the condition that the consumer purchase on the same day (43 per cent), while sellers of cosmetics and toiletries as well as sellers offering educational and training courses were more likely to offer a high initial price followed by discounting (43 per cent and 39 per cent of sellers respectively under these product categories).

4.24 Eleven per cent of consumers reported that the sales person had placed a telephone call during the visit with a colleague or superior in order to secure a special deal or discount; this represents a statistically significant increase of five percentage points over the corresponding finding from the 2004 survey (six per cent).

4.25 However, the majority of consumers were still fairly satisfied with the behaviour of sales representatives, although variations were observed across product groups. In particular, as Figure 4.3 indicates, consumers were generally satisfied that they had not felt threatened or intimidated by sellers’ behaviour (91 per cent – with the same result observed in the 2004 survey) and that the sales person had been polite and helpful (95 per cent – a statistically insignificant increase relative to 93 per cent in 2004). However, 50 per cent of consumers disagreed with the notion that their consumer rights had been mentioned and explained by sellers (with the majority expressing strong disagreement). This represented a slight but not statistically significant increase over the corresponding 2004 survey statistic (46 per cent). The proportion was highest for utilities (66 per cent), subscription and donation based direct debits (63 per cent) and educational and training courses (55 per cent).
Overall, pressure selling does not appear to be a major concern for consumers surveyed as only 15 per cent agreed that the sales person had imposed pressure on them. However, this amounts to a statistically significant increase over the corresponding figure from the 2004 survey (11 per cent). In addition, this aggregate figure hides large variations by product group, with a large number of consumers (64 per cent) citing pressure selling in relation to mobility aids and around one-in-four consumers (23 per cent) indicating the same for home improvement products.

Overall, 17 per cent of consumers expressed the view that the sales visit was unnecessarily prolonged (relative to only 12 per cent in 2004 – a statistically significant increase), with the proportion rising sharply for mobility aids (39 per cent), utility sales (34 per cent) and home improvements (24 per cent). On the whole, 15 per cent of consumers reported that they were dissatisfied with the clarity of information provided on product pricing, relative to 10 per cent of consumers surveyed in 2004 (a statistically significant increase). Consumers who purchased mobility aids were particularly likely to be dissatisfied in this
context (with 39 per cent expressing this view). Further, the 2011 survey registered a statistically significant increase in the proportion of consumers who stated that the sales person had made claims that subsequently proved false (16 per cent relative to 10 per cent in 2004). This was especially true of consumers purchasing educational or training courses, mobility aids and utility deals (45 per cent, 39 per cent and 25 per cent respectively).

4.28 Evidence from the survey also suggested that more consumers in general had found it difficult to persuade doorstep sellers to leave relative to 2004 (12 per cent of consumers in the 2011 survey compared to only seven per cent in 2004, which represents a statistically significant increase). Consumers of mobility aids products, utility sales and cosmetics were particularly likely to have encountered difficulties in persuading sellers to leave (39 per cent, 23 per cent and 18 per cent of consumers respectively).

4.29 As regards the initial calls placed to book an appointment, assessors in the mystery shopping exercise were unanimous in the view that they did not feel pressured to make a commitment. In terms of home visits, they reported that, in most cases, sellers had not attempted to up-sell or cross-sell more expensive products during the initial sales pitch. Sellers of mobility aids products were much more likely than sellers of double-glazing products to supply assessors with a catalogue or booklet. In a large majority of visits (81 per cent), the assessors reported that no sales tactics/incentives had been employed to persuade them to purchase on the spot, but this percentage was much lower in the case of double-glazing products (64 per cent) than for mobility aids products (98 per cent). The tactics most commonly encountered by assessors purchasing double-glazing products were offers of a ‘one-day-only’ price and requests to contact the head office of the sales person’s company for further discounts. This is, to some extent, in line with the consumer survey findings discussed above.47 These results correspond with the findings of the OFT mobility aids study.

47 It must be emphasised the relatively small sample size for the mystery shopping exercise (30 assessors) suggests that any findings are indicative only.
BOX 4.1 SUMMARY OF KEY FINDINGS – SALES TECHNIQUES

- Consumers remain subject to high pressure sales techniques in specific product markets such as home repairs and improvements, mobility aids and energy (although increasingly less so in the energy market as major suppliers have moved away from doorstep selling), with the incidence of some sales techniques increasing between 2004 and 2010.

- More consumers in general now find it difficult to persuade doorstep sellers to leave relative to 2004 (12 per cent of consumers in the 2011 survey compared to only seven per cent in 2004, which represents a statistically significant increase), with consumers of mobility aids products, utility sales and cosmetics being most likely to have encountered this issue.

- The consumer survey highlighted that the most commonly employed sales techniques were price discounting on the condition that the consumer purchase the product in question on the same day (reported by 20 per cent of consumers surveyed, relative to 16 per cent in 2004) and high initial price setting followed by discounting (reported by 17 per cent of consumers surveyed as opposed to 16 per cent in 2004). Consumers who purchased high and medium value products were substantially more likely to have come across these techniques, with the proportions registering statistically significant increases relative to 2004 figures. Sellers of home improvement products were most likely to employ both the above mentioned tactics (over 50 per cent practised each technique).

Price variation

The OFT’s findings and interventions

4.30 The OFT’s 2004 market study concluded that there was substantial variation in prices charged by doorstep sellers for high-value products, with the prices of similar double-glazing products sold on the doorstep varying by 45 per cent\(^\text{48}\) and the prices of certain mobility aids products

\(^{48}\) In a tightly controlled comparative analysis.
purchased by consumers in the home comfortably exceeding those of similar products sold through other sales channels.

4.31 To address this finding, the OFT recommended that doorstep selling enterprises should ensure greater price transparency. The OFT expected to find provisions to this effect covered under any Consumer Code seeking OFT approval.

Evidence from desk research

4.32 There is little existing research on the extent of variability in prices quoted for goods and services on the consumer’s doorstep. However, recent research into the mobility aids market did find evidence of a lack of price transparency, particularly for those purchasing in the home or by telephone. A survey of more than 2,000 consumers found that purchasers of mobility aids paid higher prices when they bought in the home or over the telephone compared to prices in a shop. It was also reported that some retailers will not provide pricing information except through a home demonstration. This suggests that sellers often are aware that they are likely to be able to achieve a higher price in the home if consumers find it difficult to seek multiple home-based quotes on the basis of which to compare prices across different traders.

4.33 Responses obtained under the same survey also raised concerns that vulnerable people are likely to be paying more than they should for mobility aids. A lack of price transparency was identified as a particular issue. For example, the survey found that many consumers are not being shown written evidence of prices in the home, while discounts are discussed and applied on an ad-hoc basis, which suggests consumers are only offered discounts if the trader feels they need to do so.

4.34 The OFT mobility aids market study also found significant variation in prices of mobility aids across different retailers which could not be

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explained by differences in product quality or functionality. The study 
researched prices of nine different mobility scooter products (of different 
brands and classes/standards) across 26 different retailers. It found 
viances between the lowest and highest prices of between 27 per cent 
and 232 per cent. Five of the nine products had a price variance of more 
than 100 per cent (that is, where the highest price was more than 
double the lowest price). The prices of one particular model of scooter 
were found to vary between £1,300 and £4,300. However, the study 
accounted for the market for mobility aids as a whole irrespective of 
sales channel and, therefore, these findings can be considered indicative 
only of the degree of price variability for sales concluded on the 
doorstep51.

Evidence from stakeholders and doorstep sellers

4.35 The majority of stakeholders consulted were of the view that there had 
been a reduction in price variation across doorstep sales as a whole in 
recent years, although little evidence was offered in support of this 
point. Stakeholders attributed this view to a range of factors, including 
increased competition from high street stores and online retailers, 
increased consumer awareness and increased consumer 
willingness/ability to compare prices from a wider range of sources.

4.36 One consumer organisation representative, however, stated that in the 
energy market, there was no evidence of a reduction in price variability 
and that a significant proportion of consumers who had switched 
contracts in recent years had been transferred to more expensive 
contracts than the ones they were previously registered with. A 2011 
study commissioned by Ofgem52 provided further evidence, although not 
fully conclusive, in support of this claim, with over 10 per cent of gas 
and electricity consumers who had switched suppliers in 2010 reporting 
that they did not appear to be paying less relative to if they had not

51 The OFT study also concluded that doorstep sales account for only about 10 per cent of 
purchases made in the mobility aids market.

52 Ipsos MORI 2011, Customer Engagement with the Energy market – Tracking Survey: Report 
prepared for Ofgem, available at 
accessed on 27 January 2012.
Doorstep sellers were divided as to whether prices in their target markets had changed in recent years. The majority who suggested that there had been changes specified that costs had increased owing to increased material and labour input prices, which would not necessarily result in greater price variation in doorstep sales (as these factors would also be likely to influence general industry price levels). However, a few sellers specified that their prices had declined on the whole due to increased competition from online retailers. One sales person, employed by a mobility aids company, suggested that prices had risen for private sector clients but had decreased for the public sector (local authority clients) as work in the public sector tended to be won through competitive bidding for tenders, which tended to result in lower prices being offered.

Evidence from consumer survey and mystery shopping

Analysis of the consumer survey data on price quotes received by a weighted sample of 50 consumers indicated that overall price variation between low and high price quotes provided by doorstep sellers

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53 A further quarter of consumers (26 per cent in case of gas supply consumers and 25 per cent in case of electricity supply consumers) were uncertain as to whether they were paying less compared to if they had not switched suppliers.

54 This is not inconsistent with the findings of GHK’s care homes market study evaluation for the OFT which found a general trend towards greater cross-subsidisation in adult social care, with private sector consumers often charged higher prices for the same good or service than public sector consumers given declining public sector budgets and the pressure on traders’ revenues and profits. See OFT 2011, Evaluating the impact of the 2005 OFT study into care homes for older people, OFT1322, available at www.oft.gov.uk/shared_oft/reports/Evaluating-OFTs-work/OFT1322.pdf, accessed on 27 January 2012.

55 Price variation is calculated in terms of the ratio of the difference between the lowest and the highest quotes to the lowest quote.
amounted to approximately 91 per cent. In other words, the highest quotes obtained by consumers were, on average, nearly twice the lowest quotes. This is indicative of a considerable degree of price variation in doorstep sales. Variation in quotes received by male consumers (115 per cent) was substantially higher on average than that in quotes received by female consumers (68 per cent).

4.39 Prices quoted during sales visits solicited by consumers tended to vary somewhat more than those quoted during unsolicited sales visits (average price variation amounted to over 96 per cent for solicited visits as opposed to less than 87 per cent for unsolicited visits).

4.40 Price quotes for medium-value products varied on average by nearly 116 per cent, with the corresponding statistic for high-value products being substantially smaller (63 per cent). For low-value products, the figure was less than 90 per cent. As regards product types, the highest degree of price variation was registered in the utility services, home services/repairs and direct-debit subscriptions/donations markets (price quotes received by consumers in these market segments varied on average by over 100 per cent).

BOX 4.2 SUMMARY OF KEY FINDINGS – PRICE VARIATION

- Some stakeholders interviewed for this evaluation suggested that price variation across most product types sold on the doorstep has declined in recent years. Potential drivers of this trend include increased competition from high street stores and online retailers.

- However, consumer survey findings suggest that substantial price variation is still experienced in certain parts of the doorstep sales channel, with the highest quotes received by the average consumer amounting to nearly twice the lowest quotes. Price variation was on the whole slightly greater for solicited sales visits relative to unsolicited visits. In terms of product value, medium-value products registered substantially more price variation on average than low-value and high-value products.

56 However, it should be emphasised that the relatively small sample size for this analysis suggests that findings vis-a-vis price variation should be considered to be indicative only.
Written quotes

The OFT’s findings and interventions

4.41 The OFT’s 2004 market study found evidence of substantial price variation in sales of high value products such as double-glazing and assistive products sold in consumers’ homes. Further, consumers were generally unaware of their rights when buying products in the home.

4.42 The OFT therefore recommended that firms selling on the doorstep provide greater price transparency and increased willingness to provide written quotes and stated that any Consumer Code seeking OFT approval would be expected to include a requirement to this effect.

Evidence from desk research

4.43 A recent research study found a mixed picture regarding the provision of written quotes within the home repair and improvements sector.\(^{57}\) A survey of more than 500 traders in the sector found that 89 per cent reported routinely providing written quotations and 86 per cent providing basic specifications to consumers. However, research with 1,269 consumers undertaken as part of the same study showed that only 64 per cent of consumers of home improvements reported receiving a written quotation, and only 29 per cent recalled being provided with a basic specification. Levels of provision were found to be considerably lower for consumers of home maintenance or repairs, with only 34 per cent of consumers reporting that they received a written quote and 13 per cent receiving a basic specification.

4.44 Consumer recall of receiving detailed specifications, contracts or written complaints procedures was found to be very low for home improvements and repairs. Furthermore, 23 per cent of consumers of home improvements and 56 per cent of consumers of home repairs reported receiving no documentation at all.

Evidence from stakeholders and doorstep sellers

4.45 A number of stakeholders consulted as part of this evaluation said that while doorstep sellers now tend to provide more information to consumers in general regarding consumer rights while concluding sales, the provision of written quotes remained a somewhat ‘grey’ area. Representatives of a consumer organisation, a trading standards institute and a business representative organisation suggested that this might be attributable to the fact that the OFT’s recommendation on provision of written quotes has not been translated into a legal or binding requirement. One consumer organisation representative commented that written quotes were more likely to be provided by businesses in higher value market segments (such as in double-glazing and conservatories), while another emphasised that the provision of misleading price information continued to be an issue in the energy sector. A stakeholder from a trading standards organisation took the view that sellers employed by larger or more accredited businesses were more likely to provide written quotes to consumers.

4.46 The majority of the doorstep sellers who were interviewed (nine out of 15) stated that they always provide written quotes to customers, with some specifying that the quotes were often delivered from their office following a sale rather than on the spot at the time of the purchase. These quotes were usually provided as a matter of course. The remainder (six sellers) preferred to discuss pricing with consumers and arrive at a verbal agreement, with quotes generally provided only if requested by the consumers. These latter businesses fell under three sectors: mobility aids, home improvements and furnishings.

4.47 Nearly all sellers interviewed specified that their business practices regarding the provision of written quotes had not changed in recent years. Only one, representing a mobility aids business, specified that the frequency of written quote provision had increased since 2004.

Evidence from consumer survey and mystery shopping

4.48 A variety of views were gleaned from consumers regarding the provision of written quotes by doorstep sellers.

4.49 Focusing on the experiences of consumers purchasing medium or high value products, where written quotes may be more appropriate, quotes
were more likely to be received by consumers of high value (priced above £500) products (79 per cent of consumers) and medium value (priced between £35 and £500) products (63 per cent of consumers) than by consumers of lower value (price below £35) products (35 per cent of consumers) (Figure 4.4). This finding is reinforced when results are broken down by specific products considered, with a lower probability of a written quote being offered for lower value offerings such as cleaning products and services and home repairs. Among higher value segments, the proportion of sellers offering written quotes in the relatively higher value mobility products sector was low relative to other products (25 per cent). These findings are largely consistent with desk research results.

**FIGURE 4.4 PROPORTION OF CONSUMERS WHO RECEIVED WRITTEN QUOTES FROM DOORSTEP TRADERS**

<table>
<thead>
<tr>
<th>Response</th>
<th>All products</th>
<th>Medium value products</th>
<th>High value products</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes, without my having asked for one</td>
<td>42%</td>
<td>48%</td>
<td>65%</td>
</tr>
<tr>
<td>Yes, after I asked for one</td>
<td>15%</td>
<td>23%</td>
<td>23%</td>
</tr>
<tr>
<td>No, because I said it wasn’t necessary</td>
<td>18%</td>
<td>18%</td>
<td>15%</td>
</tr>
<tr>
<td>No, not provided</td>
<td>25%</td>
<td>25%</td>
<td>23%</td>
</tr>
<tr>
<td>Don’t know</td>
<td>2%</td>
<td>2%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Source: Consumer survey data: base 661 respondents

On the whole, a little over a half (51 per cent) of consumers surveyed in 2011 reported having received written information on prices in the form of quotes. It is worth noting that industry codes of practice approved by the OFT require member companies (of the parent industry associations) to provide clear pricing information to consumers in written form. This implies that OFT approval is likely to result in more member companies providing written quotes to consumers (where those companies sign-up
to an OFT-approved code), although it is the responsibility of the industry associations in question to ensure that member companies/traders actually adhere to the codes.\textsuperscript{58}

4.51 Under the 2004 survey, consumers were not asked whether doorstep sellers had provided them written quotes, \textit{per se}, but were asked whether they had received some form of receipt or proof of purchase. Not surprisingly, respondents were more likely to affirm that they had received a receipt when the products in question were higher value products – the proportions of consumers answering to this effect were 92 per cent for high value purchases, 79 per cent for medium value purchases and 56 per cent for low value purchases.\textsuperscript{59}

\textsuperscript{58} Specific instances of such codes include:

- the Direct Selling Association (DSA) Consumer Code of Practice seeks to ensure that consumers purchasing from doorstep sellers benefit from the same rights and protection as consumers who purchase through more traditional retailing channels. In particular, the Code specifies that ‘Members will ensure that consumers are given full information, clear and comprehensible, both before the contract is concluded and also in writing (or other durable form) before or at the time of performance of the contract or delivery of the goods... The information must [include]: the seller’s/supplier’s name and address, a description of the main characteristics of the goods or services, the price (including for how long it is valid and whether it is inclusive of VAT and delivery), arrangements for delivery/performance and payment, charges for delivery (where the price does not include them)... Members will observe the information-giving requirements of the Consumer Protection (Distance Selling) Regulations 2000 (DSA (2010), Code of Practice for Consumers, available at \url{http://dsa.org.uk/assets/resources/consumer-code-plain-as-amended-agm-nov2010.pdf}, as amended in November 2010, Annex (points 2.1, 2.3 and 2.5) pp. 9-10, accessed on 14 February 2012), and

- the British Healthcare Trades Association (BHTA) Code of Practice also emphasises that pricing information be provided to consumers in written form: ‘Pricing information showing the total price and providing a breakdown, where appropriate, of that total showing for example, delivery, VAT, credit charges, discount applied, part exchange applied, must be given in writing’ (BHTA (2009), BHTA Code of Practice, available at \url{www.bhta.net/resources/1/Code-of-Practice/BHTA-Code-of-Practice.pdf}, updated in September 2009, point 8.11, pp. 9, accessed on 14 February 2012).

\textsuperscript{59} Seventy-three per cent of all consumers (across all product values combined) in 2004 had received a receipt, compared to 52 per cent of all consumers in the 2011 survey. Although the decline is statistically significant, the findings are not fully comparable in this context given the difference in the way the question was phrased in the two surveys.
4.52 Mystery shopping assessors were asked whether they had received a written quote during their appointment. As indicated in Figure 4.5, assessors received such quotes in just over half of visits (53 per cent). In 45 per cent of visits, a quote was provided without any prompting by the assessor. These results were largely similar across the two product groups in question. On the whole, sellers of double-glazing products were slightly more likely to provide written quotes to customers than sellers of mobility aids products. However, the proportion of mobility aids traders who provided written quotes without being prompted by assessors was slightly higher than the corresponding figure for double-glazing product sellers.

4.53 The findings of the mystery shopping exercise also revealed that in the vast majority (over 96 per cent) of instances, assessors were not offered a price quote over the telephone prior to the doorstep seller’s visit to their home. The figure was especially high for double-glazing product sellers (nearly 98 per cent of whom did not offer assessors a telephone quote) but also exceeded 95 per cent in case of mobility aids doorstep sales persons. This corresponds with findings drawn from the OFT’s 2011 mobility aids market study, which reported that several consumers found it difficult to obtain either online or telephone quotes prior to sales persons visiting their home. Consumer complaints indicated that this led to impediments in terms of consumers being able to ‘shop around’ to compare prices of potential alternative products in the market.

FIGURE 4.5 PROPORTION OF MYSTERY SHOPPING ASSESSORS RECEIVING WRITTEN QUOTES

Source: GfK Mystery Shopping Data: Base 30 assessors
BOX 4.3 SUMMARY OF KEY FINDINGS – WRITTEN QUOTES

• Just over 50 per cent of doorstep sellers in the mystery shopping exercise provided written quotes to their customers. On the whole, sellers of double-glazing products were slightly more likely to provide written quotes to customers than sellers of mobility aids products. However, the proportion of mobility aids product tradesmen who provided written quotes without being prompted by assessors was slightly higher than the corresponding figure for double-glazing product sellers.

• The consumer survey showed that 79 per cent of consumers purchasing high value products and 63 per cent of consumer purchasing medium value consumers reported that the sales person had provided them with a written quote without having been asked for one.

• Stakeholders consulted emphasised that regulations are less clear in this area than they are in relation to other aspects of information provision to consumers and that there may be scope to further strengthen consumer policy in order to ensure that more sellers provide written quotes to their customers as a matter of course.

Contracts and cancellations

The OFT’s findings and interventions

4.54 The OFT’s 2004 market study found that around one-quarter of consumers were unaware of their rights regarding cancellation and cooling off periods when buying products from doorstep sellers. In its recommendations on improving market operation, the OFT therefore suggested that the Doorstep Selling Regulations be amended to stipulate that information on cancellation rights and the manner in which they may be exercised be more prominently displayed in written contracts (or, in the absence of written contracts, provided in writing). Further, the

60 Including a set of consumer organisations, trade associations and regulatory bodies.

OFT recommended that the circumstances in which cancellation rights might be lost by consumers be clearly indicated. This is reflected in the current Regulations.  

4.55 The OFT suggested that the Department of Trade and Industry (DTI)\(^{63}\) should legislate to the effect that cancellation rights apply to all sales (solicited and unsolicited) undertaken off business premises. This was accepted by the Government and introduced in 2008.

4.56 The OFT also recommended that the DTI should consult on the ‘right to recover payment’ in regulation 7(2)(iv) of the Doorstep Selling Regulations and a possible ban on work and/or payment within seven days for contracts concluded following at least an unsolicited visit, subject to limited exceptions, in an attempt to avoid the undermining of ‘cooling off’ periods. However, this recommendation was not accepted.

Evidence from desk research

4.57 A 2011 study of the home repairs and improvements market\(^{64}\) highlighted a number of issues regarding the provision of contracts and guidance on complaints procedures to consumers. The survey of traders found that only 42 per cent of home repair and improvement traders routinely provide a written contract to consumers, while even fewer (27 per cent) provide guidance on complaints procedures. The provision of written documentation was found to be highest amongst members of approved trader schemes, with 56 per cent providing a written contract, which provides prima facie evidence of the consumer benefits of self-regulation within the industry. Written documentation was also more likely to be provided from larger businesses and for higher value work.


\(^{63}\) The DTI has become the Department of Business, Innovation and Skills (BIS).

4.58 As with the provision of written quotes, however, levels of provision were reported to be lower by consumers surveyed as part of this same research exercise, especially in selected sectors. For instance, only 13 per cent of consumers reported receiving a written contract for home improvement works, and even fewer (five per cent) received a contract for home repair or maintenance works. The percentage of consumers receiving guidance on complaints procedures was found to be even lower with this being provided to only five per cent of home improvement consumers and one per cent of home repair consumers.

4.59 While traders were aware of the benefits that contracts would provide in the event of disputes with consumers, many felt that this was outweighed by perceived practical barriers around using paperwork and loss of freedom in working practices. Many traders reported the importance of not being committed to specific timescales and therefore having the freedom and flexibility to move between jobs and avoid turning down new business.

4.60 Research into the mobility aids market\(^{65}\) in 2011 found a lack of clarity regarding cancellation rights for consumers purchasing in the home, online, by telephone or post. A survey of consumers found that:

- 12 per cent of those buying for themselves and 23 per cent buying for others stated that they had not been informed of their cancellation rights, and

- 23 per cent of those buying for themselves and 25 per cent buying for others reported that cancellation rights were not made clear.

4.61 The research on mobility aids not only identified a lack of clarity regarding cancellation rights but also highlighted a failure to honour cancellation rights. The consumer survey found that nine per cent of those buying for themselves and six per cent of those buying for others reported that they were unable to return the product even though it fell within the cancellation period. Reasons for this included:

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• very limited time occurring between the contract being agreed and the installation of the product, thereby effectively negating any opportunity for the consumer to cancel an unwanted product, and

• traders not responding to consumers' attempts to exercise their cancellation rights.

Evidence from stakeholders and doorstep sellers

4.62 Stakeholders consulted as part of this evaluation were, in general, satisfied that the proportion of doorstep sellers providing clearer information concerning cancellation rights and cooling off periods had increased since 2004. Overall, this was regarded to have been a major area of impact of the recommendations made by the OFT, with most stakeholders perceiving compliance to have improved. Two representatives, one from a consumer organisation and the other from an industry body, noted that there remained instances where sellers informed consumers verbally regarding their rights without including any mention of the same in the paperwork provided, or where the paperwork included the information but only in fine print (such that it was difficult for consumers to trace). However, the situation was almost unanimously perceived to have improved relative to the 2004 context. Consumer organisations suggested that there remained room for improvement on specific fronts, such as consumer redress in the light of misleading and unclear information being provided by less scrupulous traders, particularly to elderly consumers.

4.63 The fact that OFT approved industry codes of practice specify that member companies/traders must provide clearer information regarding consumer rights to consumers at the time of sale is likely to further encourage such provision. For instance:

• under the DSA Consumer Code of Practice, consumers must be clearly informed in writing regarding their rights vis-a-vis cancellation and cooling off periods at the time of sale. Of particular relevance to doorstep selling is the stipulation that: ‘In the case of goods members must ensure that customers are allowed to cancel the order within nine working days of delivery (or, if it is later, within 14 days
of the order). A full refund of the price or any deposit shall be made forthwith [with certain specified exceptions].

- the BHTA Code of Practice specifies that: ‘Where cancellation rights apply or are offered, the customer must be informed under what circumstances they may cancel and these instructions should be plainly visible in the paperwork given to the customer, for example next to the signature box, and be in large bold type.’ Further, the Code states that cooling off periods should be clearly set out in written form where applicable.

4.64 The majority of doorstep sellers interviewed as part of this evaluation reported that they did not always provide contracts to customers, however this was a relatively small sample of traders [many of whom were not signed-up to OFT-approved consumer codes]. In most cases, contracts were offered on a case-by-case basis (often driven by whether the customer agreed to make a purchase at the time of the seller’s visit). At times, contractual information was reported to be provided within the documents qualifying as ‘written quotes’. Where any form of contract was provided, this was specified to be a matter of course.

4.65 In general, sellers did not report any recent changes in the frequency with which they provided contracts to customers. However, three sellers specified that the regulatory changes introduced in 2008 had led to more information regarding cancellation rights and cooling off periods being included in the paperwork provided to customers.

Evidence from consumer survey and mystery shopping

4.66 Half of all consumers surveyed (51 per cent) specified that they had not received or signed any form of contract or document as part of their


purchase (Figure 4.6). Almost all remaining consumers (49 per cent) had done so (relative to 45 per cent in 2004 – the increase is not statistically significant), with 38 per cent having done so on the day of the purchase.

FIGURE 4.6 PROPORTION OF CONSUMERS WHO RECEIVED/ SIGNED A CONTRACT/DOCUMENT AS PART OF THE PURCHASE

Source: Consumer survey data: base 661 respondents

However, it is unlikely that contracts would be provided for many low value items and therefore it is appropriate to focus on the experience of consumers purchasing medium or high value products. Consumer of high value and medium value products were considerably more likely to have signed a contract or document as part of their purchase (this applied to 79 per cent of high value product buyers and 65 per cent of medium value product buyers) as opposed to low value product consumers. For high as well as medium value products, there was evidence of an increase relative to the corresponding 2004 statistics (62 per cent and 64 per cent respectively), with the rise being statistically significant with respect to high value products.

Consumers of medium or high value products who specified that they had been provided with or had signed some form of contract or document as part of their purchase were further asked if the document...
in question provided information pertaining to their right to cancel and a cooling off period. Around three-quarters of these consumers (76 per cent) reported that such information was provided, although fewer consumers of household goods and home repairs services reported receiving such information. As no parallel question was posed in the 2004 survey, an inter-temporal comparison is not feasible in this instance.

4.69 More generally, consumers were asked if they had been informed of their rights in written form (not just in contracts). There was a statistically significant fall in the percentages of consumers of medium value products who reported having received information on their rights in written form relative to the 2004 survey\textsuperscript{68} (the percentage dropped from 62 per cent to 37 per cent for medium value products, while declining relatively less sharply from 53 per cent to 45 per cent for high value products\textsuperscript{69}). Further, interviews undertaken with consumers of low or medium value products in 2011 accounted for nearly 87 per cent of all interviews, as opposed to a corresponding figure of less than 81 per cent under the 2004 survey. This would have contributed to the fall given it is reasonable to assume a lower propensity to provide such documentation to consumers among sellers of lower value products and services. However, even ignoring low value products (to which cancellation rights and cooling off periods do not apply), the proportion of consumers who had been informed of their rights in written form registered a statistically significant decline of 20 percentage points between 2004 and 2011 (from 59 per cent in 2004 to 39 per cent in 2011).

4.70 Assessors who conducted the mystery shopping were asked whether they had been informed of their rights regarding cancellation and cooling off periods, either through written or printed documentation of any kind (supplied over the course of the sales visit) or verbally. While the majority of sellers provided the assessors with some form of paperwork

\textsuperscript{68} The phrasing of the relevant question asked of consumers was near identical in the 2004 and 2011 surveys and therefore cannot be said to have played a role in the significantly different overall result obtained.

\textsuperscript{69} Which constitutes a statistically insignificant decline
(with assessors having received a catalogue/booklet in 63 per cent of cases and some other form of paperwork in 57 per cent of cases), information on cancellation rights and cooling off periods was usually not included (in 76 per cent of cases information on cancellation rights was not provided and in 89 per cent of cases information on cooling off periods was not provided). The percentage of cases where such information was not provided was particularly high for assessors who purchased double-glazing products (96 per cent of cases).

4.71 Further, verbal explanations of cancellation rights and cooling off periods were provided in very few mystery shopping visits (less than 10 per cent). Given that the products in question (double-glazing and mobility aids products) are relatively high value products, these findings appear to be contrary to the evidence from the consumer survey. However, among higher value products, the proportion of consumers surveyed who reported that sellers had not informed them about their rights (in verbal or written form) was relatively high for mobility aids products (38 per cent).

**BOX 4.4 SUMMARY OF KEY FINDINGS – CONTRACTS AND CANCELLATIONS**

- Stakeholders consulted were near unanimous in the belief that the proportion of doorstep sellers providing clearer information concerning cancellation rights and cooling off periods had increased since 2004.

- For high and medium value products (which are more likely to require a contract), a relatively high proportion of consumers surveyed had received and signed a contract as part of their purchase – 79 per cent and 65 per cent respectively compared to 62 per cent and 64 per cent in 2004.

- In terms of cancellation rights, which apply to purchases over £35, the proportion who had been informed of their rights in written form declined from 59 per cent in 2004 to 39 per cent in 2011.

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70 As opposed to a corresponding statistic of 79 per cent for assessors who purchased mobility aids.
While the majority of sellers provided the mystery shopping assessors with some form of paperwork, information on cancellation rights and cooling off periods was usually not included (in 76 per cent of cases for cancellation rights and 89 per cent of cases for cooling off periods). The percentage of cases where such information was not provided was particularly high for assessors who purchased double-glazing products (96 per cent of cases).

**Summary of impacts: trader behaviour**

4.72 The evidence on pressure selling by doorstep sellers is mixed. Overall, only 15 per cent of consumers felt they had been subject to pressure sales tactics. This figure was significantly higher for certain product groups, particularly mobility aids and home improvement products, although it is broadly consistent with the results of the mystery shopping exercise in which only eight per cent of assessors saying that they felt under pressure to agree to purchase anything during the sales visit.

4.73 Stakeholders consulted suggest that price variation across doorstep selling product markets has declined in general in recent years owing to increased competition from high street and online retailers and, potentially, increases in consumer awareness. However, recent research has identified a lack of price transparency and significant differences in the prices of mobility aids.

4.74 The consumer survey showed that 79 per cent of consumers purchasing high value products and 63 per cent of consumer purchasing medium value consumers reported that the sales person had provided them with a written quote without having been asked for one.

4.75 Stakeholders consulted were near unanimous in the belief that that the proportion of doorstep sellers providing clearer information concerning cancellation rights and cooling off periods had increased since 2004. For high and medium value products (which are more likely to require a contract), a relatively high proportion of consumer surveyed had received and signed a contract as part of their purchase – 79 per cent and 65 per cent respectively compared to 62 per cent and 64 per cent in 2004. In terms of cancellation rights, which apply to purchases over £35, the
proportion who had been informed of their rights in written form declined from 59 per cent in 2004 to 39 per cent in 2011.

Impact of the OFT’s market study on consumers

4.76 This section presents findings on the impact of the OFT’s market study on consumers. The findings relate to:

- frequency of doorstep selling
- awareness of sales techniques and consumer rights
- consumer attitudes and confidence
- price transparency and comparison
- cancellations, and
- satisfaction and complaints.

Frequency of doorstep selling

The OFT’s findings and interventions

4.77 The OFT’s market study looked at consumer experiences and found that consumers can be vulnerable to the sales techniques of trained doorstep salesmen. The study found that consumers are equally susceptible whether or not they have solicited the visit.

4.78 The OFT subsequently made several recommendations to improve consumer experiences of doorstep selling including the recommendation to extend cooling off periods and cancellation rights so that they apply to solicited visits.

Evidence from consumer survey and mystery shopping

4.79 Consumers were asked how often door-to-door salespeople call at their doorstep unannounced. Figure 4.7 demonstrates that the frequency is fairly high, with 18 per cent of consumers reporting every couple of weeks or more frequently and 21 per cent stating that this occurs once a month. In contrast, only 10 per cent of consumers surveyed in 2004 reported the frequency to have been every couple of weeks or higher,
with 13 per cent stating that it was once a month. These changes are statistically significant.

**FIGURE 4.7 THE FREQUENCY WITH WHICH DOOR-TO-DOOR SALESPeOPLE CALL AT CONSUMER’S DOORSTEP UNANNOUNCED**

Source: Consumer survey data: base 661 respondents

4.80 Consumers were then asked how often they purchased products or services from doorstep sellers. Figure 4.8 shows that purchases were much less frequent than visits. For example, just 13 per cent of respondents purchased a product every six months (relative to an even lower figure of eight per cent under the 2004 survey – a statistically significant difference) and 22 per cent purchased a good or service every 1 to 2 years (relative to 16 per cent in 2004 – also a statistically significant difference). Results were relatively consistent across age groups and gender, although women were slightly more likely to buy products via doorstep selling (54 per cent) than men (46 per cent).
Consumers were asked whether they could have purchased the goods or services in another way, for example on the high street or over the internet. The majority of respondents (68 per cent) could easily have purchased the product/service in another way (Figure 4.9). This represents a statistically significant increase over the corresponding 2004 figure (27 per cent). The increase was observed across all product values. Among other factors, this is likely to reflect the increased prevalence of online retailing since 2004. However, in the age group 70+, just under half of respondents (44 per cent) were not able to easily purchase a product or service in another way, highlighting that doorstep selling remains an important sales channel for many elderly consumers. The goods or services most commonly purchased by the consumers in the 70+ age category were hardware goods and cleaning products, home services and home repairs and mobility aids.
FIGURE 4.9 PROPORTION OF CONSUMERS THAT COULD HAVE PURCHASED GOODS/SERVICES IN A WAY OTHER THAN VIA THE DOORSTEP

Source: Consumer survey data: Base 483 respondents

BOX 4.6 SUMMARY OF KEY FINDINGS – EXPERIENCES OF DOORSTEP SELLING

- Unsolicited doorstep sales visits are fairly common, with 18 per cent of respondents reporting receiving such visits every couple of weeks or more frequently and 21 per cent stating that they get such visits once a month.

- Only a fraction of doorstep visits result in a sale. Thirteen per cent of respondents purchased a product every six months and 22 per cent purchased a good or service every one to two years.

- Just under a third of respondents who made a purchase were unable to easily purchase the product in another way. In the age group 70+ just under half of respondents (44 per cent) were not able to easily purchase a product or service in another way, highlighting that doorstep selling is an important sales channel for elderly consumers.

Awareness of sales techniques and consumer rights

The OFT’s findings and interventions

4.82 The OFT’s 2004 market study found that around one-quarter of consumers were unaware of their rights regarding cancellation and cooling off periods when buying products from doorstep sellers. The study also identified a range of sales tactics and influencing techniques
that together are highly effective in securing sales but can also lead the consumer to make inappropriate decisions.

4.83 The OFT has delivered a number of doorstep selling consumer campaigns since 2004, with the aim of:

- increasing and promoting understanding of consumer rights when buying on the doorstep
- raising awareness of the sales tactics used and the risks posed by rogue doorstep traders, and
- increasing confidence and empowering vulnerable consumers to make informed and effective decisions.71

4.84 The campaigns have also worked closely with and promoted Consumer Direct as a contact point for any concerns, thereby raising awareness of this as a key route for making complaints and reporting rogue traders.

Evidence from desk research

4.85 The impact of the 2009 campaign was assessed by pre and post campaign research.72 The specific aim of the campaign was to empower elderly consumers to refuse offers on the doorstep of ‘on the spot’ building repairs and maintenance. The campaign tracking survey found that the vast majority of elderly people were already aware of the potential risks of using a doorstep tradesperson, while 95 per cent claimed they would check the opinions of others before agreeing to work, which suggested good awareness of the issues and risks associated with doorstep selling.

4.86 However, around 25 per cent of the respondents to the tracking survey would still consider having urgent building work undertaken by cold-


callers, suggesting that awareness of the potential issues is not always enough to prevent people from taking risks with cold-callers.

Evidence from stakeholders and doorstep sellers

4.87 The interviews with stakeholders for this study provided mixed evidence on consumer awareness of sales techniques and consumer rights.

4.88 All stakeholders consulted for this study reported that media coverage has helped to highlight awareness of sales tactics employed. However, consumer related stakeholders and trade related stakeholders both emphasised that elderly and vulnerable consumers are often targeted and are less aware of the sales tactics employed.

4.89 Many stakeholders suggested that although awareness campaigns have been useful, renewed and frequent campaigns are crucial in sustaining a level of awareness. However, one consumer stakeholder noted that increased regularity is costly and it may be most useful to build a ‘brand’, or a source of information that is so well known that people turn to it as a default aid which is occurring to some extent with the promotion of Consumer Direct as a point of contact. Stakeholder interviews also emphasise that, in general, consumers are more aware of their rights regarding cooling off periods and cancellation rights. For example, a trade-related stakeholder suggests that education and awareness raising over recent years has helped to make consumers aware that they have increased rights. The majority of consumer stakeholders suggest that there has been an increase in the proportion of consumers who are aware relative to 2004, especially since 2008 when the legal changes were implemented. However, one trade-related stakeholder suggested that the majority of consumers do not appear to be aware of their extended rights. In addition, regulatory stakeholders who educate and train consumer groups stated that consumers demonstrate a poor level of awareness and are not aware of the changes in cancellation rights.

4.90 Doorstep sellers were asked for their perspectives on the change in consumer awareness of their rights when purchasing at home. Responses provided a mixed picture. For example, several traders felt that customers are still very unaware of their rights, especially the elderly and vulnerable. One trader suggested that local police and neighbourhood watch should have a greater role in making elderly and
vulnerable customers aware. However several other traders stated that consumer are more aware of their rights, particularly consumers in the younger age demographic.

Evidence from consumer survey and mystery shopping

4.91 Consumers were asked whether they were aware of their rights to cancel, regardless of what they were told by the salesperson. Seventy-seven per cent of all consumers were aware of their rights to cancel, compared to 74 per cent in 2004. The difference between these two samples is not statistically significant. As shown in Figure 4.10, the majority of respondents who purchased products of a value of £35 or above (83 per cent) were aware of their right to cancel (relative to 81 per cent in 2004 – a statistically insignificant increase). Overall the age category 70+ were most aware of their right to cancel (88 per cent) which may suggest that the OFT awareness raising campaigns targeted at the elderly have had a positive effect, although other factors may also have contributed to this result.

4.92 Further, 75 per cent of consumers who made purchases following unsolicited visits reported that they had been aware of their cancellation rights, as compared to a considerably higher figure of 86 per cent relating to consumers who made purchases following solicited visits. No comparable analysis was undertaken as part of the 2004 survey as the cancellation rights following solicited purchases was only introduced as a result of the OFT’s market study.
Consumers were subsequently asked whether they would have still made their purchase had they not had the right to cancel. Figure 4.11 shows that just six per cent definitely would make the doorstep purchase without the right to cancel and 37 per cent definitely would not have made the purchase. This demonstrates that the right to cancel is viewed as an important factor in the purchase decisions of a large number of the consumers questioned. There was no corresponding question asked in the 2004 survey.
FIGURE 4.11 PROPORTION OF CONSUMERS PURCHASING PRODUCTS OF £35 OR OVER THAT WOULD HAVE MADE THE DOORSTEP PURCHASE WITHOUT THE RIGHT TO CANCEL

Source: Consumer survey data: Base 228 respondents (all those who are aware of their rights to cancel who had purchased products of £35 or over)

BOX 4.7 SUMMARY OF KEY FINDINGS – AWARENESS OF SALES TECHNIQUES AND CONSUMER RIGHTS

- Stakeholder interviews suggested that consumers are generally more aware than they were in 2004 of the sales techniques employed in doorstep selling. Stakeholders emphasised that awareness has been increased through greater media coverage, although stakeholders emphasised that regular consumer campaigns and/or media coverage is required to sustain high levels of awareness. In addition, some stakeholders provided evidence that forced sales continue to occur. This is consistent with the evaluations of previous OFT awareness raising campaigns that have found high levels of awareness of doorstep selling issues and risks but also a continued susceptibility and vulnerability of consumers to unfair or high pressure sales techniques.

- The qualitative evidence on consumer awareness of their rights is mixed. Several stakeholders suggested that there has been an increase in the proportion of consumers who are aware of their rights relative to 2004. However, other stakeholders who educate consumer groups stated that consumers demonstrate a poor level of
awareness and are not aware of the changes in cancellation rights. Interviews with doorstep sellers also reflect a mixed opinion on this issue.

- The majority of consumer respondents to the consumer survey (77 per cent) stated that they were aware of their right to cancel doorstep purchases (relative to 74 per cent in 2004 – a statistically insignificant change).

Attitudes and confidence

The OFT’s findings and interventions

4.94 The OFT’s 2004 market study found that consumer confidence had been eroded and in general consumers seemed to have a negative attitude towards doorstep selling.

4.95 In part, the OFT’s recommendations to extend cooling off periods and cancellation rights might be expected to impact positively on consumer attitudes and confidence over time with respect to doorstep sales.

Evidence from desk research

4.96 Consumer Focus recently undertook a survey exploring consumer views of doorstep selling, with a particular focus on the energy sector. The survey received 1,878 responses from consumers. It found that:

- 82 per cent had a negative view about any form of doorstep sales visits (this was slightly lower at 79 per cent for doorstep energy sales visits), and

- only three per cent had a positive view of any type of doorstep sales (this had fallen from nine per cent in the previous survey undertaken in 2009) and only four per cent had positive views of energy doorstep sales.

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4.97 One of the key reasons for the negative views of consumers is a lack of trust. The Consumer Focus survey found that 62 per cent of consumers said that they didn’t trust doorstep sales agents. The main reasons for this were reported to include: not wanting to be pressured into buying products in their own home (41 per cent); a general distrust (25 per cent); and feeling intimidated by the sales process (16 per cent). Not only are levels of trust low, but the survey found that trust levels differed between products. For example:

- 19 per cent said they trust energy sales agents
- 11 per cent said they trust agents selling household goods
- four per cent said they trust insurance selling agents, and
- only three per cent said they trust double-glazing selling agents.

4.98 However, the growth of the TrustMark scheme shows how industry self-regulation might help to combat consumer distrust of doorstep traders. The TrustMark scheme has achieved strong growth over time and the number of consumers viewing the details of tradespeople on the website has also increased significantly. The number of tradespeople details viewed each month has increased from an average of 107,000 in 2008 to 244,000 in 2009 and 288,000 in 2010. The latest figure for November 2011 suggests that this number is continuing to increase with an average of 294,000 details viewed during each month in 2011. Prima facie, this suggests that the TrustMark scheme has the potential to increase consumer confidence in contacting and using doorstep traders in the home repair and improvements sector.

Evidence from stakeholders and doorstep sellers

4.99 Interviews with trade-related stakeholders as part of this evaluation suggested that they felt consumers are more suspicious of doorstep sellers and are therefore more cautious regarding unsolicited calls. Stakeholders suggested that consumers are now likely to be more confident in solicited visits since they have the opportunity to cancel

74 Trustmark www.trustmark.org.uk accessed on 27 January 2012.
their purchase as a result of OFT recommendations. Government-related stakeholders report that they do not receive many complaints regarding doorstep selling and they believe that given the overall size of doorstep sales it would seem that consumers are satisfied in general. Further, industry-related stakeholders suggest that consumers now believe that they have increased protection if something goes wrong which serves to increase confidence.

4.100 In addition, industry stakeholders provide a complaints handling service where consumers can receive advice. They report that they rarely receive complaints on the sales process and believe that traders are generally compliant and take care to ensure that consumers are aware of their cancellation rights. Therefore they believe consumers have a higher degree of confidence than they previously did before the new regulations were introduced. In addition, certain trade associations emphasise that businesses who are members are signed up to the codes of practice and should include the trade association logo on their paperwork which can help to increase consumer confidence as demonstrated by the desk research findings which report increased numbers of consumers visiting accreditation websites. However, other consumer related stakeholders reported that consumers often find it difficult to say ‘no’ to doorstep sellers and cannot easily walk away. These stakeholders emphasise that the key goal of awareness-raising campaigns is increased consumer confidence.

4.101 Regulatory stakeholders that were interviewed report that confidence can increase with increased availability of information via the internet and media channels. However, for consumers without internet access, confidence can be reduced due to a lack of easily accessible information, primarily owing to the lack of major alternatives to online information – this sometimes leads to ‘isolation’ of the more vulnerable groups of consumers. However, regulatory stakeholders also point out that consumers are now better protected if an issue arises and can get a satisfactory remedy more easily.

Evidence from consumer survey and mystery shopping

4.102 Consumers that were surveyed as part of this evaluation were asked about their post purchase experience which can affect attitudes and confidence towards doorstep selling. Initially, consumers were asked
whether anything unexpected had happened after purchasing the product or service, specifically whether there was anything about the good or service that they only became aware of following their agreement to purchase (see Figure 4.12). For the majority of consumers, nothing unexpected occurred, although nine per cent stated that the price of the goods/services had been unexpected (relative to eight per cent in the 2004 survey – the difference is not statistically significant). When broken down by sector, the price was particularly unexpected for consumers in the specialist sector\(^{75}\) (39 per cent) and the utility sector (19 per cent). Further, seven per cent of consumers reported that the quality of the product they purchased had been unexpected, relative to only two per cent in 2004 – this constitutes a statistically significant increase.

**FIGURE 4.12 PROPORTION OF CONSUMERS REPORTING AN UNEXPECTED ELEMENT THAT OCCURRED IN THE POST PURCHASE EXPERIENCE**

![Graph showing the proportion of consumers reporting an unexpected element in the post purchase experience.]

*Source: Consumer survey data: base 661 respondents*

4.103 Those consumers that mentioned an unexpected element were asked whether they would have made a different decision to buy had they known about the unexpected element at the time of purchase. Figure 4.13 highlights that the majority of consumers (over 50 per cent) would ‘almost certainly not have bought’ the goods or services purchased if

\(^{75}\) This sector includes orthopaedic beds, electric wheelchairs, stair lifts and hearing aids.
they had been aware of the unexpected element. In contrast, in 2004, 32 per cent of consumers reported that they would ‘almost certainly’ not have purchased the product had they been aware of the unexpected element\textsuperscript{76}. This difference may be explained by improvements in access to alternative sales channels, particularly online. In our sample 68 per cent could have easily purchased the product by another means but in 2004 the figure was just 27 per cent.

**FIGURE 4.13 PROPORTION OF CONSUMERS WHO WOULD HAVE/HAVE NOT MADE THE DOORSTEP PURCHASE HAD THEY BEEN AWARE OF THE UNEXPECTED ELEMENT AT THE TIME OF PURCHASE**

<table>
<thead>
<tr>
<th></th>
<th>The terms and conditions</th>
<th>The price of the good(s)/ service</th>
<th>The quality of the good(s)/ service</th>
<th>The running costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost certainly not have bought</td>
<td>9%</td>
<td>18%</td>
<td>11%</td>
<td>17%</td>
</tr>
<tr>
<td>Probably not have bought</td>
<td>9%</td>
<td>7%</td>
<td>5%</td>
<td>4%</td>
</tr>
<tr>
<td>Probably still have bought</td>
<td>14%</td>
<td>16%</td>
<td>23%</td>
<td>10%</td>
</tr>
<tr>
<td>Almost certainly still have bought</td>
<td>69%</td>
<td>60%</td>
<td>61%</td>
<td>69%</td>
</tr>
</tbody>
</table>

Source: Consumer survey data: Base 140 respondents (all who mentioned unexpected element)

4.104 The assessors undertaking the mystery shopping exercise were asked about their attitude and level of confidence towards doorstep selling as a result of the exercise. Figure 4.14 illustrates that just over half of the thirty assessors felt that the assessment had a positive impact on their level of trust and just eight per cent cited a negative experience. However, when asked whether they would have taken up the quote provided if they had been a genuine customer, 61 per cent stated that

\textsuperscript{76} A further 12 per cent of consumers surveyed in 2004 stated that they would ‘probably not’ have made the purchase had they been aware of the unexpected element.
they would not due to a variety of reasons including price, quality, safety and friendliness and trustworthiness of the traders.

**FIGURE 4.14 PROPORTION OF MYSTERY SHOPPING ASSESSORS REPORTING AN IMPACT ON TRUST OF DOORSTEP SELLING AS A RESULT OF THE SALES VISIT**

![Pie chart showing the proportion of assessors reporting an impact on trust]

- 53% of assessors reported a positive impact on trust.
- 39% reported no impact.
- 8% reported a negative impact.

Source: GfK Mystery Shopping Data: Base 30 assessors

4.105 Further, 86 per cent of surveyed consumers agree that doorstep sales should be more tightly regulated which may infer a low level of confidence. In the 2004 survey 87 per cent of surveyed consumers agree that doorstep sales should be more tightly regulated. These results do not constitute a statistically significant difference but shows that public opinion has remained broadly consistent. However, a recent OFT survey on ‘Advertising of Prices Market Study’ showed that 78 per cent of respondents also suggested that they would like to see more control and regulation over the way prices can be advertised and, as such, this finding may be reflective of generic consumer sentiment regarding the degree of regulation in markets rather than a finding specific to doorstep sales.

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BOX 4.8 SUMMARY OF KEY FINDINGS – ATTITUDES AND CONFIDENCE

- Industry related stakeholders suggested that increased consumer protection arrangements can have a positive impact on consumer confidence in doorstep selling. This is particularly important given the negative views and lack of trust that consumers have for doorstep traders as identified in the desk research.

- Regulatory stakeholders report that confidence can increase with increased availability of information via the internet and media channels. However, this may not be the case for elderly or vulnerable consumers who have more limited access to the internet.

- Another driver of consumer confidence is whether the sales process resulted in any unanticipated effects. A minority of consumers (fewer than 10 per cent) from the consumer survey noted that something unexpected occurred after purchasing the goods or service, most commonly the price was unexpected (nine per cent), particularly for the specialist product group (39 per cent of consumers in this category) – which includes orthopaedic beds, electric wheelchairs, stair lifts and hearing aids – and the utility sector (19 per cent of consumers in this category). Of those that noted something unexpected the majority would ‘almost certainly not have bought’ the goods or service if they had been aware of the unexpected element.

- Mystery shopping assessors were asked about their attitude and level of confidence towards doorstep selling as a result of the exercise. Whilst 53 per cent felt that the assessment had a positive impact on their level of trust, 61 per cent stated that they would not have taken up the quote had they been a genuine consumer due to reasons including price, quality, safety and friendliness and trustworthiness of the traders.

Price transparency, variability and comparison

The OFT’s findings and interventions

4.106 The OFT’s 2004 market study found that prices for the same product sold in the consumer’s home often showed wide variations. In particular
double glazing products vary by up to 45 per cent and for some assistive products consumers were paying a high premium for buying at home.

4.107 As a result, the OFT recommended that firms trading via doorstep selling should provide consumers with greater transparency on prices for their products and demonstrate greater willingness to provide written quotes.

Evidence from desk research

4.108 The OFT mobility aids market study\(^78\) found significant variation in prices of mobility aids between different retailers. As stated above, prices of one particular model of scooter were found to vary by £3,000 (from £1,300 to £4,300). Since most consumers in this sector are ‘first-time buyers’ and do not have previous experience or reference of prices, it can be more difficult to assess good value without shopping around.

4.109 While some consumers were found to place less importance on price or simply need to make an urgent purchase, the ability of other consumers to shop around and make an informed purchasing decision can also be influenced by access to information tools and sales channels. The mobility aids market study identified a number of specific issues including:

- limited mobility of consumers, which can limit the extent to which they are able to seek out available offers by shopping around and may therefore be dependent on certain sales channels, such as doorstep sales

- internet access – the market study found that 52 per cent of those purchasing for themselves and 22 per cent of those purchasing on somebody else’s behalf did not have access to the internet and were therefore less likely to have compared alternative suppliers

- choice of local retailers – there is often only a limited choice of mobility aid retailers at a local level, and consumers’ ability to shop around may therefore be limited

• choice of brands and models – given the size of many mobility aids, retailers often carry a small range of brands and models, and

• time pressure – the research found that 63 per cent of consumers needed to make a purchase within a short space of time, thereby reducing their ability to seek or consider available offers and restricting their choice of products and suppliers.

4.110 The mobility aids market study also found that only 24 per cent of doorstep purchasers of mobility aids compared prices of other brands and models, compared to 60 per cent of those purchasing through the internet or by visiting a shop.

4.111 The 2011 Consumer Focus survey also provides insights into price comparison activities of consumers. The survey responses suggested that:

• only one per cent of consumers view doorstep sales as a valid way of finding out about products or services

• the most popular ways of researching new products or services are by using a price comparison website (33 per cent), talking with friends or family (32 per cent) and browsing in shops (31 per cent), and

• the over 65s and low income consumers (DE social class) were less likely to use price comparison websites than other groups (only 12 per cent and 19 per cent respectively) and more likely to ask advice of friends and relatives.

Evidence from stakeholders and doorstep sellers

4.112 Consumer stakeholders that were interviewed for this evaluation reported that consumers are more likely to check whether they have actually secured a good deal once they have purchased a product due to the ease in ability to compare prices through the internet. The recent regulations would then provide an opportunity to cancel if necessary. Conversely, trade-related stakeholders suggest that shopping around can be rare as their members tend to have strong professional relationships with consumers and products are often of a bespoke nature. Further, consumer stakeholders suggest that it is difficult to shop online or in
retail stores for home improvements products, which are often bespoke and usually need to be discussed in considerable detail in the home.

4.113 Government representatives that were interviewed highlight that requesting different quotes can be a long process and often people are busy and looking for convenience which may reduce the likelihood of comparing prices. In addition, many consumers may not feel confident about having a stream of different people entering their home which may reduce the number of quotes they receive for certain items. Regarding elderly consumers, consumer stakeholders emphasised that this demographic group is less likely to visit retailers and some are unable to do so. Coupled with a lack of internet usage amongst this age group it is less likely that they shop around for products.

4.114 Regulatory stakeholders that were interviewed suggested that the likelihood of price comparison depends on the product area and the price. For more expensive goods like double-glazing, customers will be more likely to shop around. In addition, they note that traders often attempt to deter consumers from ‘shopping around’ by offering discounts or applying pressure tactics.

Evidence from consumer survey and mystery shopping

4.115 Consumers that were surveyed for this evaluation were asked whether they undertook a price comparison for the product or service that they most recently purchased. In total, 18 per cent of consumers made price comparisons and 15 per cent of consumers made both quality and price comparisons. The majority of respondents (63 per cent) did not make any price or quality comparisons. This represents a statistically significant increase relative to the 2004 survey, the findings from which indicated that 56 per cent of consumers did not make any price or quality comparisons prior to purchasing. However, for those consumers who purchased products for £35 or over, the proportion of consumers that did not make any price or quality comparisons falls to 44 per cent, which illustrates that consumers purchasing higher value projects are more likely to shop around.

4.116 It is possible that the lack of price comparison is due to consumer inertia, a lack of transparency in tariffs and competition from high street retailers which makes price comparison difficult, or pressure sales tactics.
such as price discounting on the consumer’s doorstep that influence consumer behaviour with respect to price comparisons.

4.117 Figure 4.15 shows the proportion of consumers making price and/or quality comparisons by product value and compares this to the 2004 results. As discussed above, the chart shows that consumers were more likely to make price comparisons in 2004 than they are today.

**FIGURE 4.15**  PROPORTION OF CONSUMERS MAKING PRICE AND/OR QUALITY COMPARISONS WITH SIMILAR GOODS OR SERVICES TO THOSE PURCHASED IN THE HOME

Source: Consumer survey data: base 661 respondents

4.118 Figure 4.16 presents the proportion of customers making price and quality comparisons by solicited and unsolicited purchases and shows that, in general, those making unsolicited purchases were less likely to make price comparisons.
FIGURE 4.16 PROPORTION OF CONSUMERS MAKING PRICE AND/OR QUALITY COMPARISONS WITH SIMILAR GOODS OR SERVICES TO THOSE PURCHASED IN THE HOME

Source: Consumer survey data: base 661 respondents

4.119 This lack of price or quality comparison corroborates with the prevailing stakeholder views described above. However, when broken down by sector, those purchasing home improvement, specialist and household products or services were more likely to make price and quality comparisons (39 per cent, 37 per cent and 32 per cent respectively). Further, consumers who had made a purchase via a solicited visit were more likely to make price comparisons and quality comparisons.

4.120 Those consumers who did not make any price or quality comparisons were asked why they had not done so. Twenty-two per cent stated that ‘it didn’t cross my mind to make comparisons’, 10 per cent stated that they had ‘no time’, nine per cent stated that it was ‘too much hassle’, three per cent stated that nowhere else sells these products and one per

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cent stated that they had mobility problems and couldn’t get to other suppliers.\textsuperscript{79}

\textit{4.121} Consumers were asked for details of the lowest price found for their most recently purchased product or service when they sought other quotes from suppliers visiting their homes. The survey found that 69 per cent of consumers who had other suppliers visiting their home purchased the lowest priced product whereas 31 per cent received a lower quote than the price they actually paid. Similarly, consumers were asked what the highest price was that they found for their most recently purchased product or service.

\textit{4.122} Figure 4.17 displays the reasons for consumers not purchasing the lowest priced goods/service. Sixteen per cent of respondents stated that their decision was based on the quality of the goods or service whilst eight per cent of consumers did not purchase the lowest prices product or service due to the experience of the quote or the sales process.

\textbf{FIGURE 4.17 REASONS FOR CONSUMER NOT PURCHASING THE LOWEST PRICED GOOD/SERVICE}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{reasons_not_purchasing_lowest_price.png}
\caption{Reasons for consumers not purchasing the lowest priced goods/service.}
\end{figure}

Source: Consumer survey data: base 29 respondents (all who paid a higher price than a competitor’s quote)

\textsuperscript{79} These were the top four responses given by consumers surveyed.
BOX 4.9 SUMMARY OF KEY FINDINGS – PRICE TRANSPARENCY, VARIABILITY AND COMPARISON

- The majority of stakeholders consulted believed that there is a greater tendency among consumers to shop around with the introduction of price comparison websites, a conclusion reaffirmed by the 2011 Consumer Focus doorstep selling survey. However, in certain sectors where bespoke products are the norm, such as mobility aids, shopping around is less frequent and can be influenced by the mobility of the consumer, local availability of products and retailers, time pressures requiring a rapid purchase as well as the availability of internet access and the IT literacy of consumers.

- The majority (63 per cent) of consumer respondents did not make any price or quality comparisons. However, the propensity to compare prices varies by product type – those purchasing home improvement, specialist products (orthopaedic beds, electric wheelchairs, stair lifts hearing aids) and household products or services were more likely to make price and quality comparisons.

- The most common reason for not undertaking price comparison was simply that it didn’t cross the consumer’s mind. Of those that did make comparisons, the majority (79 per cent) said that this did not involve other suppliers visiting their home to provide quotes, which implies that they either used the internet, telephone or visited retail stores.

- Of the consumers who did not purchase the lowest priced good/service from another supplier visiting their home, only eight per cent cited the experience of the quote or the sales process as the motivating factor.

Cancellations

The OFT’s findings and interventions

4.123 At the time of the OFT’s market study, only doorstep purchases that had come about as a result of an unsolicited visit could be cancelled. This meant that consumers who had solicited a home-based visit from a trader and made a purchase with which they were unhappy could not cancel the purchase.
In response, the OFT’s 2004 market study recommended that cooling off periods and cancellation rights be extended so that they apply to solicited visits. It also recommended that cancellation notices be more prominently and clearly displayed in contracts, providing a clear indication of the circumstances in which cancellation rights may be lost.

The OFT also recommended the prohibition on money being paid or taken before the seven-day cooling off period has elapsed although this was not accepted by the Government.

Evidence from desk research

The 2011 Consumer Focus survey found that 15 per cent of consumers had bought or signed up to something on the doorstep and subsequently changed their mind. This is broadly similar to the 2004 OFT study which found that 12 per cent of consumers cancelled unsolicited doorstep sales and four per cent cancelled solicited doorstep sales.\(^8^0\) The Consumer Focus survey found the main reasons for cancellations included:

- feeling pressured at the time to sign up and then regretting it (for 50 per cent of cancellations)
- finding a cheaper product elsewhere (for 25 per cent of cancellations), and
- no longer wanting the product or service (for 12 per cent of cancellations).

Evidence from stakeholders and doorstep sellers

An interview with a trade association for this evaluation reported that 17 million transactions occur every year amongst their members but the vast majority of consumers are happy with their purchases. Another trade association believed that incidents of cancellations of mobility aid products have remained stable. Consumers generally do not cancel mobility aid products as they have a medical need for them and may find it difficult to buy them elsewhere. A further consumer-related

\(^8^0\) Some traders offered cancellation rights to solicited visits prior to 2004, either as a result of company policy or trade association standards
stakeholder stated that there has not been a significant change in the number of consumers exercising their newly available rights.

4.128 Overall, interviews with doorstep traders suggested that cancellation numbers constituted a low percentage of the number of sales made.

Evidence from consumer survey and mystery shopping

4.129 Consumers were asked in the survey about the extent to which they cancel their purchases. Initially consumers were asked whether they tried to cancel the most recent purchase at any stage. Figure 4.18 shows that the majority (88 per cent) of respondents did not attempt to cancel or return their purchase. Figures were similar for all product values and suggest a high degree of consumer satisfaction.

4.130 Further, nine per cent of respondents successfully cancelled purchases or returned products whilst only a small minority of respondents were unsuccessful or were waiting to hear whether they had been successful. Of those respondents that successfully cancelled, just 17 per cent were goods or services sold during solicited visits, whereas 83 per cent were goods or services sold during unsolicited visits.

**FIGURE 4.18 PROPORTION OF CONSUMERS WHO CANCELLED THEIR MOST RECENT DOORSTEP PURCHASE**

Source: Consumer survey data: Base 661 respondents
Respondents who cancelled or tried to cancel were asked to provide the reasons behind their decision. Figure 4.19 shows the most common answers. Twenty-four per cent of respondents reported that they found a better value product or service elsewhere and 20 per cent simply changed their mind. Only 15 per cent were unhappy with the sales process or felt pressurised to purchase and 12 per cent were unhappy with the contract or terms and conditions of the sale. Those who purchased medium value products were as likely to cancel as those who purchased high value products or services. There was not a comparable question asked in the 2004 consumer survey.

**FIGURE 4.19 REASONS THAT CONSUMERS CANCELLED OR TRIED TO CANCEL DOORSTEP PURCHASES**

![Chart showing reasons for cancellation]

Source: Consumer survey data: Base 74 respondents (all who cancelled/tried to cancel)

The five consumers who were unsuccessful in cancelling the purchase or contract or returning the product were asked why they were unsuccessful. Responses were fairly evenly split between the cooling off period having run out, the salesperson not providing the necessary information and the company not accepting the cancellation/return.

All respondents who were successful in cancelling the purchase or contract or returning the product were asked how easy they found this
process. Figure 4.20 highlights that 81 per cent of respondents found the cancellation process very easy or quite easy. Results show that 85 per cent of consumers purchasing high value products found the process quite easy or very easy and 80 per cent of consumers purchasing high value products or medium value products found the process quite easy or very easy, highlighting that results are broadly similar across these product values. There was no comparable question asked in the 2004 consumer survey.

**FIGURE 4.20 EASE OF CANCELLING THE DOORSTEP PURCHASE OR CONTRACT OR RETURNING THE PRODUCT**

Source: Consumer survey data: Base 58 respondents (all who were successful in cancelling)

4.134 Consumers were then asked whether they had tried to cancel other goods or services purchased on the doorstep or in their home in the last 6 to 12 months. Figure 4.21 shows a similar pattern to the responses regarding the most recent purchase. The breakdown between solicited and unsolicited visits was fairly similar in most categories; however of those that said they had not cancelled any of their purchases in the last six to 12 months, 28 per cent were sold via solicited visits whereas 71 per cent were sold via unsolicited visits.
FIGURE 4.21 PROPORTION OF CONSUMERS THAT CANCELLED GOODS OR SERVICES PURCHASED IN THE LAST 6 TO 12 MONTHS

Source: Consumer survey data: Base 145 respondents (all who did not cancel/try to cancel their most recently purchased goods or service, and who made multiple purchases in last six-12 months)

BOX 4.10 SUMMARY OF KEY FINDINGS – CANCELLATIONS

- The consumer survey found that 88 per cent of respondents did not attempt to cancel or return their most recent purchase, possibly suggesting an overall satisfaction with doorstep selling products. Of those respondents that successfully cancelled, just 17 per cent involved a solicited visit.

- The most common reason for wishing to cancel a doorstep purchase was that the consumer found a better value product or service elsewhere. Of the respondents who cancelled or tried to cancel, 81 per cent found the process very easy or quite easy.

- Although stakeholders had limited information on figures for cancellations of goods or services, a general consensus seemed to be that the cooling off period for solicited calls has helped to protect consumers and this was a valuable amendment to the regulations.
• Doorstep seller interviews suggest that few consumers ask about their cancellation rights or attempt to cancel, particularly in the household maintenance or improvement sector.

Satisfaction and complaints

The OFT’s findings and interventions

4.135 The OFT’s 2004 market study found that most complaints were about high value goods/services bought through solicited sales.

4.136 The subsequent recommendation to extend cancellation rights to solicited sales could be expected to impact positively on consumer complaints regarding solicited sales, although an increase in complaints may reflect an increase in consumer awareness regarding how to complain.

4.137 This section presents detailed evidence on consumer satisfaction and complaints surrounding doorstep sales.

Evidence from desk research

4.138 In 2004, the OFT estimated that there were at least 15,500 complaints about doorstep selling made annually to Trading Standards Departments (TSDs) excluding complaints about energy sales. This was based on an analysis of complaints made to a sample of TSDs. These complaints were estimated to represent 1.9 per cent of all complaints received by TSDs, which was relatively high given the OFT estimate that the value of doorstep sales amounted to just 0.4 per cent of domestic household expenditure.81

4.139 An analysis of complaints made to Consumer Direct since 2006 shows that the total number of complaints relating to doorstep selling is likely to be significantly higher than this. However, it is important to note that these complaints data do not distinguish between rogue and legitimate traders, whereas the study focuses solely on legitimate traders.

The data in Figure 4.22 show that between 40,000 and 60,000 ‘doorstep selling’ complaints have been made to Consumer Direct each year between 2006 and 2011.\textsuperscript{82} This excludes complaints made to TSDs or any other consumer protection organisation. Furthermore, trading standards officers were recently reported to suggest that doorstep selling issues tend to be under-reported because victims can feel embarrassed about the outcome, do not realise there has been a problem, or do not know what to do about it.\textsuperscript{83} This issue was also identified by recent research into mobility aids,\textsuperscript{84} which suggested that for every reported issue relating to purchases of mobility products, there are at least twelve issues that remain unreported. This suggests that the total number of doorstep selling complaints is likely to be significantly higher than the number of complaints reported to Consumer Direct.

\textsuperscript{82} 2011 data comprises complaints made up to and including 3 November 2011 and are preliminary in nature.


4.141 Figure 4.22 also shows that the number of ‘doorstep selling’ complaints increased consistently over the period between 2006 and 2010. The number of complaints increased by 45 per cent over this period, at an average rate of 10 per cent per annum, from 40,000 in 2006 to almost 58,000 in 2010. However, an increasing number of complaints is not necessarily a direct result of an increasing number of doorstep selling issues. It could also be the result of increasing awareness of Consumer Direct and consumer rights and increasing confidence and inclination to make complaints, all of which have been actively promoted by the OFT since 2004.

4.142 The data also suggest that, while the majority of complaints continue to relate to solicited (invited) doorstep selling, there has been a slight increase in the proportion of complaints relating to unsolicited (uninvited) doorstep sales. Complaints of solicited doorstep sales have increased by 43 per cent between 2006 and 2010 (at an average rate of around nine

85 The year to date (YTD) figure for 2011 includes all complaints made up to 3 November 2011, providing coverage of around 84 per cent of the year. Data for previous years suggest that the number of complaints received up to this point accounts for around 85 per cent of the annual total. Applying this assumption to the 2011 data suggests that the 2011 total might be projected to be in the region of 53,000 complaints and, hence, lower than the corresponding figure in 2010.
per cent per annum), compared to an increase of 57 per cent
(approximately 12 per cent per annum) for unsolicited doorstep selling.

Complaints by product value

4.143 Consumer Direct has also collected data from most complainants about the value of the products sold on the doorstep, where relevant. These data are presented in Figure 4.23 and show a direct relationship between doorstep selling complaints and the value of the products or services. This is likely to be driven by:

- a greater inclination to complain when issues arise with the purchase of higher value products and services due to the potential for greater financial loss and consumer detriment
- a more complicated transaction of higher value products involving more detailed contracts, payment and credit terms, and
- increased incidence of unfair or inappropriate selling techniques for higher value products, such as pressure selling and the provision of misleading price and product information.

4.144 The data suggest that more than half (between 56 per cent and 58 per cent) of doorstep selling complaints relate to products and services costing in excess of £500, while around 25 per cent relate to products and services costing between £35 and £500. Only a very small proportion (less than three per cent) of complaints relate to products and services costing less than £35.86 The value of products in the remaining complaints is either zero (for example, many insulation products are covered by Government grants with no price to pay by the consumer), unknown or the issue did not relate to a specific product or service. Figure 4.23 shows that the relative proportions of complaints relating to these low, medium and high value ranges has remained relatively unchanged over time.

86 £35 was selected as the upper limit of low value purchases because the Doorstep Selling Regulations do not apply to goods or services costing less than £35.
4.145 It is also possible to calculate average product values associated with doorstep selling complaints in each year, although these have been inflated by a number of outliers including some very expensive building projects and lottery/prize draws where the value of the potential prize appears to have been included, rather than the cost of the ticket. The data suggest that the average doorstep selling complaint typically relates to products and services with a value between £3,300 and £3,700, as was the case in 2006, 2007, 2009 and 2010. However, this average value increased to £5,900 in 2008 and £7,000 in 2011 due to some particularly large outliers.

Complaints by product type

4.146 The Consumer Direct data also record the type of product associated with each complaint. These different products and services have been grouped and the distribution of complaints between these product groups is presented in Table 4.1 below. This shows that the majority of doorstep selling complaints are associated with home repairs and improvements. However, the proportion of total complaints included in this group has declined over time from 69 per cent in 2006 to 65 per cent in 2011. This is likely to include complaints about rogue traders, although home repairs and improvements account for a smaller proportion (around 50 per cent) of all complaints about bogus selling.
4.147 Local Authorities Coordinators of Regulatory Services (LACORS) stated in 2008 that one of the greatest areas where consumers are targeted by rogue/bogus traders is with regard to property services, including double-glazing, conservatories/extensions, roofing and paving/(re)tarmacking paths/driveways.87

TABLE 4.1 DOORSTEP SELLING COMPLAINTS TO CONSUMER DIRECT, BY PRODUCT TYPE, 2006-11 (PER CENT)

<table>
<thead>
<tr>
<th>Product Type</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Double-glazing &amp; conservatories</td>
<td>16.4</td>
<td>17.6</td>
<td>16.7</td>
<td>14.5</td>
<td>13.4</td>
<td>12.6</td>
</tr>
<tr>
<td>Other home repairs &amp; improvements</td>
<td>52.8</td>
<td>50.9</td>
<td>50.0</td>
<td>48.1</td>
<td>49.2</td>
<td>52.5</td>
</tr>
<tr>
<td>Hardware goods &amp; cleaning products</td>
<td>0.1</td>
<td>0.1</td>
<td>0.2</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
</tr>
<tr>
<td>Cleaning services</td>
<td>0.4</td>
<td>0.5</td>
<td>0.7</td>
<td>0.8</td>
<td>0.8</td>
<td>0.8</td>
</tr>
<tr>
<td>Gardening products &amp; services</td>
<td>2.8</td>
<td>3.2</td>
<td>2.6</td>
<td>2.6</td>
<td>2.4</td>
<td>2.5</td>
</tr>
<tr>
<td>Cosmetics, jewellery, toiletries &amp; clothing</td>
<td>0.8</td>
<td>0.7</td>
<td>0.5</td>
<td>0.8</td>
<td>0.9</td>
<td>0.8</td>
</tr>
<tr>
<td>Household goods</td>
<td>10.3</td>
<td>10.4</td>
<td>11.2</td>
<td>12.0</td>
<td>11.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Food items</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.3</td>
</tr>
<tr>
<td>Utility services</td>
<td>4.8</td>
<td>4.4</td>
<td>4.8</td>
<td>5.4</td>
<td>5.0</td>
<td>4.2</td>
</tr>
<tr>
<td>Finance, insurance, legal &amp; other prof services</td>
<td>3.9</td>
<td>4.0</td>
<td>4.4</td>
<td>5.5</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Specialist products for older &amp; disabled people</td>
<td>2.0</td>
<td>2.1</td>
<td>2.4</td>
<td>3.2</td>
<td>2.8</td>
<td>2.7</td>
</tr>
<tr>
<td>Other medical products &amp; services</td>
<td>0.4</td>
<td>0.4</td>
<td>0.3</td>
<td>0.3</td>
<td>0.2</td>
<td>0.2</td>
</tr>
<tr>
<td>Transport &amp; vehicles</td>
<td>1.4</td>
<td>1.4</td>
<td>1.5</td>
<td>1.8</td>
<td>1.9</td>
<td>1.7</td>
</tr>
<tr>
<td>Holidays &amp; timeshare agreements</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
<td>0.1</td>
</tr>
<tr>
<td>Other/Unknown</td>
<td>3.4</td>
<td>3.9</td>
<td>4.2</td>
<td>4.4</td>
<td>4.2</td>
<td>4.0</td>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

4.148 As discussed above, the vast majority (83 per cent) of complaints relate to solicited doorstep sales, and this is true of most of the different types of products and services. The products where solicited doorstep selling incidents represent a particularly large proportion of overall complaints tend to be the more specialist and higher value products and services such as: double-glazing and conservatories; other home repairs and improvements; household goods; transport and vehicles; and, specialist products for older and disabled people. Alternatively, the only products where unsolicited doorstep sales represent the majority of complaints comprise: cosmetics, jewellery, toiletries and clothing; food items; and, utility services. These are typically lower value, ‘direct selling’ products, and other services closely associated with cold-calling, such as energy and other utility providers.

Complaints by nature of complaint

4.149 Consumer Direct has categorised the doorstep selling complaints across 69 different types of complaint. These have also been grouped as part of this study into 10 different complaint ‘areas’ as presented in Table 4.2 below. The data show that the majority of complaints relate to substandard or otherwise unsuitable goods and services. However, the proportion of total complaints associated with substandard goods and services has declined over time from almost 70 per cent to less than 60 per cent in 2011. This change has been driven by large declines in the proportion of complaints relating to substandard services, which has offset the smaller growth in the proportion of complaints relating to defective and unsuitable goods.

4.150 The other significant areas of complaint are more relevant to the recommendations of the 2004 market study and include:

- failure to observe cancellation rights
- misleading and incorrect product information
- misleading and incorrect prices, and
- pressure selling techniques.
4.151 There has been considerable growth in the number of complaints relating to a failure of traders to observe cancellation rights and the provision of misleading and incorrect product information. These issues accounted for less than eight per cent of all complaints to Consumer Direct in 2006, but this has increased significantly over time to 21 per cent of all complaints in 2011. This increase in complaints may, in part, reflect an increasing awareness of consumer rights in relation to doorstep sales, and particularly those relating to cancellation rights, but could also suggest a lack of compliance with the new doorstep selling regulations amongst traders.

4.152 The number of complaints relating to pressure selling and the provision of misleading and incorrect prices has remained relatively stable over time and has declined in percentage terms. The fact that consumer awareness of doorstep selling issues and the inclination to complain appears to have increased since the OFT market study in 2004 would suggest that the incidence of pressure selling and provision of misleading prices is highly unlikely to have increased since 2004 and has most likely decreased over this time.

**TABLE 4.2 DOORSTEP SELLING COMPLAINTS TO CONSUMER DIRECT, 2006-11, (PER CENT)**

<table>
<thead>
<tr>
<th></th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Defective, unsuitable &amp; wrong goods</td>
<td>22.9</td>
<td>10.9</td>
<td>11.5</td>
<td>11.2</td>
<td>12.2</td>
<td>12.2</td>
</tr>
<tr>
<td>Substandard services</td>
<td>44.3</td>
<td>58.0</td>
<td>56.7</td>
<td>51.2</td>
<td>49.5</td>
<td>46.7</td>
</tr>
<tr>
<td>Misleading &amp; incorrect prices</td>
<td>4.9</td>
<td>4.6</td>
<td>4.5</td>
<td>4.0</td>
<td>3.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Misleading &amp; incorrect product information</td>
<td>5.1</td>
<td>5.6</td>
<td>6.8</td>
<td>8.9</td>
<td>8.9</td>
<td>9.0</td>
</tr>
<tr>
<td>Pressure selling</td>
<td>4.5</td>
<td>3.9</td>
<td>3.9</td>
<td>4.3</td>
<td>3.6</td>
<td>3.9</td>
</tr>
<tr>
<td>Failure to observe cancellation rights</td>
<td>2.6</td>
<td>2.8</td>
<td>3.7</td>
<td>7.9</td>
<td>9.5</td>
<td>12.0</td>
</tr>
<tr>
<td>Other contractual &amp; payment issues</td>
<td>2.2</td>
<td>2.0</td>
<td>1.9</td>
<td>1.6</td>
<td>1.3</td>
<td>1.3</td>
</tr>
<tr>
<td>Delivery &amp; repair issues</td>
<td>4.9</td>
<td>3.6</td>
<td>3.1</td>
<td>2.6</td>
<td>2.4</td>
<td>2.2</td>
</tr>
<tr>
<td>Uncontactable traders</td>
<td>2.5</td>
<td>2.3</td>
<td>2.2</td>
<td>1.8</td>
<td>1.9</td>
<td>1.6</td>
</tr>
<tr>
<td>Other</td>
<td>6.1</td>
<td>6.3</td>
<td>5.7</td>
<td>6.3</td>
<td>7.2</td>
<td>7.8</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>
4.153 It is also interesting to make comparisons between the main complaint areas and the different types of products and services. The key findings include:

- complaints of defective, unsuitable and wrong goods are particularly common for specialist products for older and disabled people

- substandard services are most commonly associated with: cleaning and gardening services; double-glazing and conservatories; and, other home repair and improvements

- complaints of misleading and incorrect product information are relatively likely for: cosmetics, jewellery, toiletries and clothing; holidays and timeshare agreements; utility services; and, finance, insurance, legal & other professional services

- pressure selling complaints are particularly common for: specialist products for older and disabled people; other medical products and services; food items; cosmetics, jewellery, toiletries and clothing; and, utility services

- traders of specialist products for older and disabled people, other medical products and services, and gardening services are most likely to fail to observe cancellation rights

- traders of holidays and timeshare agreements are most likely to be uncontactable, and

- other contractual and payment issues are particularly common for: finance, insurance, legal and other professional services; and, holidays and timeshare agreements.

Evidence from consumer survey and mystery shopping

4.154 Consumers were asked how satisfied they were overall with the goods or services that they purchased. Figure 4.24 shows that the majority of consumers (78 per cent) were satisfied with their products and only seven per cent of consumers were fairly dissatisfied or very dissatisfied. In 2004, 76 per cent of consumers reported that they were satisfied to
some extent with the goods or services purchased which does not represent a statistically significant difference.

**FIGURE 4.24  LEVEL OF CONSUMER SATISFACTION WITH GOODS OR SERVICES PURCHASED**

![Bar chart showing levels of consumer satisfaction](chart)

Source: Consumer survey data: base 661 respondents

4.155 Similarly consumers were asked how satisfied they were with the sales process overall. Figure 4.25 highlights a high level of satisfaction with 83 per cent of consumers stating that they were either very satisfied or fairly satisfied with the sales process. This constitutes a statistically significant improvement over the corresponding 2004 survey statistic (for which 70 per cent of consumers reported that they were to some extent satisfied with the sales process).
4.156 Those consumers who indicated that they were dissatisfied with the sales process (16 per cent of consumers, relative to 17 per cent in 2004 – a statistically insignificant difference) were asked whether they reported the problem or made a complaint. Figure 4.26 illustrates that the majority of respondents (73 per cent) neither made a complaint nor reported the problem. Of those that did (27 per cent – a statistically insignificant increase relative to the corresponding 2004 survey result of 25 per cent\(^{88}\)), the most common course of action was reporting the issue to the company involved (84 per cent of consumers who complained or reported the problem – relative to 92 per cent in 2004, which represents a statistically insignificant decline\(^{89}\)).

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\(^{88}\) The increase is statistically insignificant when the number of consumers who were dissatisfied with the sales process under each survey is accounted for.

\(^{89}\) The decline is statistically insignificant when the number of consumers who made a complaint under each survey is accounted for.
The respondents who did not report the problem were asked for their reasons behind this decision (Figure 4.27). The figures show that a high number of consumers (52 per cent) did not feel that the problem was worth complaining about. Only 13 per cent of respondents were not sure how to go about doing so (in 2004, 28 per cent of respondents were not sure how to go about making a complaint which is not a statistically significantly difference).
4.158 Figure 4.28 shows the outcome of complaints made by all those consumers who were dissatisfied and reported the issue. Twenty-six per cent of consumers stated that the problem or complaint was resolved to their satisfaction. On the other hand, 19 per cent of consumers stated that the problem or complaint, although addressed, was not resolved to their full satisfaction and 44 per cent of consumers stated that it was not resolved. Sample sizes are too small to conclude on whether there have been changes in the way in which complaints have been handled since 2004.
Finally all consumers who were dissatisfied with the sales process were asked whether their experience made them reluctant to buy through a salesperson, representative or contractor who comes to their home in the future. Figure 4.29 shows that the majority of respondents who were dissatisfied are now more reluctant to engage in purchasing goods or services via doorstep selling. There was no comparable question in the 2004 consumer survey.
FIGURE 4.29 PROPORTION OF CONSUMERS THAT ARE RELUCTANT TO BUY THROUGH A SALESPERSON, REPRESENTATIVE OR CONTRACTOR WHO COMES TO THEIR HOME IN THE FUTURE AS A RESULT OF THEIR EXPERIENCE

Source: Consumer survey data: Base 73 respondents (all those who were dissatisfied with the sales process)

BOX 4.11 SUMMARY OF KEY FINDINGS – SATISFACTION AND COMPLAINTS

- Consumer Direct complaints data indicate an increase in the number of complaints relating to all doorstep sales (legitimate and rogue) made by consumers between 2006 and 2010, although this is likely to have fallen in 2011.

- The greater majority of complaints continue to relate to solicited visits although complaints relating to unsolicited visits are increasing as a share of total complaints over time.

- The majority of complaints to Consumer Direct relate to products with a value of more than £500 and particularly within the home repair and improvement sector.

- The most common complaints concerned substandard or otherwise unsuitable goods and services, although there are also significant numbers of complaints relating to failures to observe cancellation rights, misleading and incorrect price and product information, and pressure selling techniques.
• However, the consumer survey reports that the majority of consumers are satisfied with their products or services, with only seven per cent of consumers fairly or very dissatisfied.

• Regarding the sales process, 84 per cent of consumers were either very satisfied or fairly satisfied. Most of the consumers who indicated that they were dissatisfied with the sales process neither made a complaint nor reported the problem.

Summary of impacts: consumer issues

4.160 Stakeholders suggested that consumers are more aware of sales techniques employed to force sales and their rights in general due to greater media coverage and increased training/education.

4.161 The majority (77 per cent) of consumers surveyed for this study said they were aware of their right to cancel. Further, 86 per cent of consumers surveyed were aware of their right to cancel following solicited visits, despite those rights being introduced recently following the OFT’s recommendations in 2004.

4.162 Evaluations of previous OFT awareness raising campaigns have found high levels of awareness of doorstep selling issues and risks but also a continued susceptibility and vulnerability of consumers to unfair or high pressure sales techniques.

4.163 Desk research suggests that consumer confidence can increase with improved availability of information via the internet and media channels. However, confidence may differ for elderly consumers who may have more limited access to the internet.

4.164 Regarding the post purchase experience, less than 10 per cent of consumers reported having encountered any unexpected element to the purchase. The price of the goods or services was the most frequent unexpected element (reported by nine per cent of consumers) and consumers would not have purchased the product or service had they previously been aware of this unexpected element. This experience can serve to erode confidence.

4.165 Stakeholders suggest a greater tendency to shop around with the introduction of price comparison websites and the internet. However, in
certain sectors where bespoke products are the norm, shopping around is less frequent.

4.166 Sixty-three per cent of consumers did not make any price or quality comparisons before purchasing on the doorstep. However, those purchasing home improvement, specialist and household products or services were more likely to make price and quality comparisons.

4.167 The ability of consumers to make price comparisons can be affected by the mobility of the consumer, local availability of products and retailers, time pressures and the availability of internet access and the IT literacy of consumers.

4.168 Eighty-eight per cent of respondents did not attempt to cancel or return their most recent purchase, perhaps indicating an overall satisfaction with doorstep selling products.

4.169 Among those who did attempt to cancel their purchase, the most common reason given was that the consumer found a better value product or service elsewhere. Of the respondents who cancelled or tried to cancel, 81 per cent, found the process very easy or quite easy.

4.170 There has been an increase in the number of complaints made to Consumer Direct between 2006 and 2010, the majority of which relate to solicited visits although complaints of unsolicited visits are increasing more quickly over time. The majority of complaints made to Consumer Direct relate to products with a value of more than £500 and particularly within the home repair and improvement sector. The most common complaints involve substandard or otherwise unsuitable goods and services, although there are also significant numbers of complaints relating to failures to observe cancellation rights, misleading and incorrect price and product information, and pressure selling techniques.

4.171 Overall, a majority of consumers were satisfied with their products or services with only seven per cent of consumers were fairly dissatisfied or very dissatisfied.

**Concluding remarks**

4.172 The key consumer benefits arising from the OFT’s market study for which quantitative estimates of financial impact are not possible include:
• consumers are confident that they are aware of their rights – the majority of consumer survey respondents (77 per cent) were satisfied that they were aware of their right to cancel, which is higher than the corresponding figure of 74 per cent of consumers in 2004 (although not a statistically significant difference). This is likely to impact positively on consumer confidence insofar as consumers feel aware and informed of their rights when making purchases in the home

• the majority of consumers making high value purchases receive written quotes – around two-thirds of purchasers of high value products received written quotes without prompting and a further 14 per cent received one after requesting it, suggesting a relatively positive degree of price transparency for products with the greatest scale of potential consumer detriment

• the majority of consumers making high value purchases receive contracts containing cancellation information – around 80 per cent of consumers of high value products received a contract as part of their purchase. Consumers of medium or high value products who specified that they had been provided with or had signed some form of contract or document as part of their purchase were further asked if the document in question provided information pertaining to their right to cancel and a cooling off period. Around three-quarters of these consumers (76 per cent) reported that such information was provided, although fewer consumers of household goods and home repairs services reported receiving such information

• very few consumers try to cancel their doorstep purchases – the greater majority (88 per cent) of consumers did not attempt to cancel or return their most recent doorstep purchase. Of the respondents who cancelled or tried to cancel, 81 per cent found the cancellation process very easy or quite easy, a figure which was slightly higher (85 per cent) for consumers purchasing high value products

• the number of consumers making doorstep selling complaints has started to decline – although doorstep selling complaints made to Consumer Direct increased between 2006 and 2010, there are signs that complaints started to fall in 2011, possibly reflecting in part the
cumulative impact of the changes to consumer protection arrangements introduced from 2008, and

- **a large and growing proportion of consumers are highly satisfied with doorstep selling** – the majority of consumers surveyed for this study were satisfied with their products or services. Over 75 per cent of consumers were very or fairly satisfied with their doorstep purchase, with only seven per cent of consumers dissatisfied. The proportion of consumers satisfied with their purchase has increased since 2004, although the difference is not statistically significant. Similarly, consumers were asked how satisfied they were with the sales process overall. An even higher proportion of consumers (83 per cent) indicated that they were either very satisfied or fairly satisfied with the sales process. This constitutes a statistically significant improvement over the corresponding 2004 survey statistic (for which 70 per cent of consumers reported that they were to some extent satisfied with the sales process).
5 MONETARY IMPACTS

5.1 This chapter monetises, where possible, the impacts associated with the OFT’s market study recommendations.

Monetising benefits

5.2 A core aspect of this evaluation is to identify and, where feasible, estimate changes in market outcomes and determine the extent to which these are attributable to the OFT’s market study recommendations. While the previous section of this report documented the outputs and outcomes arising from the OFT’s market study, including those accruing to consumers, this section attempts to monetise, where feasible, the impact of the market study.

BOX 5.1 ATTRIBUTING OUTCOMES TO THE OFT’S MARKET STUDY

Although the OFT’s market study was supported by OFT consumer campaigns, particularly targeting older and more vulnerable consumers, this evaluation attributes the key changes in consumer welfare since 2004 to the OFT’s original market study into doorstep sales and the recommended changes that were subsequently implemented. As such, the impacts described below are attributed to the OFT’s market study.

This is a reasonable assumption to make given that the key changes in this market (including the extension of consumer protection

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90 The OFT has been delivering campaigns aimed at raising awareness of doorstep selling issues and consumer rights across the population, but with a particular focus on vulnerable consumer groups. These campaigns have included:

- an awareness raising campaign to inform consumers about their new rights under the Doorstep Selling Regulations in 2008
- the 2009 ‘Your Doorstep, Your Decision’ campaign, which aimed to raise awareness of how to handle doorstep sales tactics and the risks of rogue traders. This campaign was aimed primarily at women over 70 along with their families, friends and carers
- the 2010 campaign, delivered in collaboration with Age UK, to warn older consumer about the danger of rogue traders, highlighting the financial risks and the emotional toll it can take, and encouraging elderly consumers to refuse doorstep offers of ‘on the spot’ building repairs and maintenance, and
- the 2011/12 campaign, focusing on encouraging consumers to exercise caution and seek reassurance before agreeing to buy mobility aids on the doorstep.
arrangements in 2008 and regulations specifying that information on cancellation rights be included within consumer contracts) resulted directly from the OFT’s market study recommendations. This was confirmed in interviews with BIS which was responsible for changing the regulations and indicated that regulatory change came about as a direct result of the OFT’s market study.

5.3 The OFT has published guidance on estimating consumer impacts\(^\text{91}\) which describes the type of financial benefits that might arise from a market study. The benefits described in paragraph 2.4 of the guidance include:

- a decrease in price

- improvements in quality, range or service that can be monetised

- time savings that can be monetised, and

- gains arising from being able to make better informed choices about what goods to purchase.

5.4 GHK has attempted as far as possible to derive monetary-equivalent measures through ‘bottom-up’ calculations of impacts. However, such an exercise raises both practical and theoretical challenges given that the greater majority of impacts concern non-price impacts, which can be intangible and difficult to monetise. Regardless of these challenges, the impacts reported below are linked to evidence, based on clear assumptions and involve conservative estimates.

5.5 All estimates should be viewed as a point-in-time snapshot only. The scale of improvements in outcomes presented below will continue to accrue in future years.

5.6 Finally, estimates should not be interpreted as a net benefit calculation or a full cost benefit analysis. They are instead intended to monetise as far as is practicable the impacts of the OFT’s market study since 2004.

and should be viewed as a partial indicator of impact (alongside the qualitative evidence presented in Chapter 4).

**Improved consumer confidence resulting from the ability to cancel unwanted purchases**

5.7 The first area of impact measured herein relates to consumer confidence. The OFT’s market study resulted in the extension of cooling off periods and cancellation rights to purchases made as a result of a solicited visit to the consumer’s home. This extension of consumer rights should, in theory, help to make consumers more confident about these purchases because they have the option to cancel the purchase, whereas previously they could not do so if they were dissatisfied with the good or service.

5.8 The OFT’s guide to impact estimation methods makes clear that many of the beneficial outcomes of the OFT’s work are not quantifiable, such as the psychological detriment averted by the OFT’s actions. Consequently, it could be argued that changes in the confidence of consumers should be assessed and reported in qualitative terms. For example, a recent OFT evaluation of a consumer enforcement case involving Foxtons Estate Agents found positive effects on the confidence of consumer landlords but made no attempt to monetise these effects.92

5.9 However, this study attempts to derive a proxy monetary value for the changes in consumer confidence arising from the OFT’s market study based on measuring the value of the goods and services that would otherwise not have been purchased by consumers had these new consumer rights not been in place. The study measures these impacts by drawing on the following data collected from the consumer survey undertaken for this evaluation:

- the number/proportion of consumers making a doorstep purchase following a solicited visit (as measured by Question D1 from the consumer survey questionnaire contained in Annex B)

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the number/proportion of these consumers who were aware of their consumer rights when they made these solicited purchases (Questions D16, D17 and D18 from the survey);

the number/proportion of these consumers who would not have proceeded with the purchase had they not had these rights (Question D19 from the survey), and

the proxy average value of the good or service purchased by consumers following a solicited visit (Question D9 from the survey).

5.10 Table 5.1 below presents the calculations associated with combining these data to derive an estimate of impact.

<table>
<thead>
<tr>
<th>Data element</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total number of UK households (A)</td>
<td>26,000,000&lt;sup&gt;93&lt;/sup&gt;</td>
</tr>
</tbody>
</table>
| The proportion of consumers<sup>94</sup> making a purchase on the doorstep (B) | 14.6%  
(Equivalent to 3,796,000 households: 26,000,000 x 14.6%) |
| The proportion of these consumers who made a purchase on the doorstep following a solicited visit<sup>95</sup> (C) | 19.7%  
(Equivalent to 746,566 households: 3,796,000 x 19.7%) |


<sup>94</sup> These are the consumers surveyed as part of this evaluation.

<sup>95</sup> A total of 130 of 661 (weighted) consumers surveyed made a purchase on their doorstep after a solicited visit, or 19.7 per cent of all consumers purchasing on the doorstep.
The proportion of these consumers who made a purchase on the doorstep following a solicited visit that were aware of their consumer rights when they made these solicited purchases[^96] (D)

86.2%
(Equivalent to 643,195 households: 746,566 x 86.2%)

The proportion of these consumers who made a purchase on the doorstep following a solicited visit that were aware of their consumer rights when they made these solicited purchases and would not have proceeded with the purchase had they not had these rights[^97] (E)

34.8%
(Equivalent to 223,970 households: 643,195 x 34.8%)

The number of UK households[^98] assumed to have made a purchase on their doorstep following a solicited visit who would not otherwise have done so without the new consumer cancellation rights (F) = (A) x (B) x (C) x (D) x (E)

223,970
(As set out above)

The average value of the goods or services purchased by these households[^99] (G)

£255

[^96]: A total of 112 of these 130 (weighted) consumers surveyed were aware of their cancellation rights when they purchased on the doorstep, or 86.2 per cent of all consumers making a solicited doorstep purchase.

[^97]: A total of 39 of the 112 (weighted) consumers surveyed who were aware of their rights said they ‘definitely’ or ‘probably’ would not have purchased without these rights, or 34.8 per cent of all consumers making a solicited doorstep purchase and who were aware of their cancellation rights at the time.

[^98]: For simplicity, it is assumed that ‘consumers’ from the survey are equivalent to ‘UK households’.

[^99]: The consumer survey did not record the specific value of a good or service purchased on the doorstep but rather it recorded these values within bands – less than £35 in value, between £35 and £500 in value and more than £500 in value. The results of the survey for the 39 consumers who made a purchase on the doorstep following a solicited visit that were aware of their consumer rights when they made these solicited purchases and would not have proceeded with the purchase had they not had these rights show that 14 of them (or 35 per cent) fell into the low value category, 12 (32 per cent) fell into the medium category and 13 (34 per cent) were in the high value category. For the purposes of estimating an average purchase value, and to
### Data element

| Total approximate estimated value of solicited purchases made by UK households that would not have been made in the absence of the new consumer cancellation rights | £57 million |

\[ (H) = (F) \times (G)^{100} \]

5.11 The table shows that the total estimated value of doorstep purchases made by all UK households as a result of solicited visits that they would not otherwise have made had the changes to cancellation rights not been made is approximately £57 million. This is used as a proxy monetary estimate of the increased consumer confidence arising from the OFT’s market study recommendations.

5.12 The above estimates should not be interpreted as an estimate of changes in consumer surplus or consumer welfare. This is because estimates of consumer surplus/welfare generally require a comparison between the price that the consumer is willing to pay for a good or service and the price that the consumer actually paid for the good or service. There are practical difficulties involved in measuring a consumer’s willingness to pay (WTP) such that this study has not attempted an estimation of WTP against which to compare the prices actually paid by consumers. Further, measuring changes in consumer surplus is arguably more relevant in relation to policy and regulatory changes aimed at impacting directly the prices of goods and services within a market. In this case, the changes in doorstep selling regulations were intended to better protect consumers against unwanted purchases and, in doing so, give them greater confidence to make solicited purchases.

eensure a conservative/translucent approach, we assume that the average value in each value band is simply the midpoint of these bands, which equates to £17 for the <£35 range and £267.50 for the £35<£500 range. For the £500+ range, it is not possible to calculate a midpoint and so we assume that the average value is £501 in order to derive a simple and conservative estimate. This suggests that the proxy average value estimate is \[ = 14 \times £17 \] (= £238) + 12x£267.50 (= £3,210) + 13x£501 (£6,513) ÷ 39 = approximately £255.

100 Rounded to nearest million.
purchases, rather than impact the prices of goods and services purchased on the doorstep.

5.13 Consequently, this study has focused on the price actually paid by consumers as a proxy monetary measure of the positive changes induced by the OFT’s market study as a result of consumers being more confident to purchase due to better cancellation rights.

**Consumer detriment avoided through ability to cancel unwanted purchases**

5.14 The second area of impact involves estimating the monetary impact of consumers exercising their right to cancel purchases made following solicited visits.

5.15 The extension of cooling off periods and cancellation terms as a result of the OFT’s market study provided consumers that purchased goods and services worth £35 or more via a solicited doorstep sales visit with the ability to change their mind, cancel contracts and thus avoid making ‘inappropriate’ purchases. This study constructs an approach for monetising these benefits by valuing these purchases that the consumer made but would not have been able to cancel (despite the desire to do so) had these additional consumer protection measures not been introduced. This is viewed as a proxy monetary value of the consumer detriment avoided as a result of the extension of cancellation rights (based on an assumption that these cancelled contracts represent the value to consumers of not being forced to proceed with the purchase as a result of the extension of cancellation rights and cooling off periods).

5.16 However, caution is urged when drawing any firm conclusions regarding the scale of these monetary estimates given they have been based on the average value of all doorstep purchases, not just those that were subsequently cancelled following a solicited visit. This is because only 10 consumers cancelled their solicited purchases, which is an insufficient number of observations on which to base a robust estimate of the average value of cancelled products across all UK households. Consequently, a proxy average value for all doorstep purchases is used instead.

5.17 The following data from the consumer survey are used to derive a rough approximation of the consumer detriment avoided:
• the number/proportion of solicited purchases that were subsequently cancelled (as measured by Questions D22, D27 and D28 from the consumer survey questionnaire contained in Annex B). This includes any solicited purchase made by the consumer (whether it was the main/sole purchase or another purchase made in addition to the main purchase) that was subsequently cancelled, and

• the proxy average value of all goods or services purchased by consumers (Question B2 from the survey).\(^{101}\)

5.18 Table 5.2 below presents the calculations associated with combining these data to derive a rough estimate of impact.

**TABLE 5.2 PROXY MONETARY ESTIMATE OF IMPACT – CANCELLATIONS OF ‘INAPPROPRIATE’ PURCHASES**

<table>
<thead>
<tr>
<th>Data element</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The total number of UK households (A)</td>
<td><strong>26,000,000</strong></td>
</tr>
<tr>
<td>The proportion of consumers making a purchase on the doorstep (B)</td>
<td><strong>14.6%</strong></td>
</tr>
<tr>
<td>(Equivalent to 3,796,000 households: 26,000,000 x 14.6%)</td>
<td></td>
</tr>
<tr>
<td>The proportion of these consumers who made a purchase on the doorstep following a solicited visit (C)</td>
<td><strong>19.7%</strong></td>
</tr>
<tr>
<td>(Equivalent to 746,566 households: 3,796,000 x 19.6%)</td>
<td></td>
</tr>
</tbody>
</table>

\(^{101}\) The average value of the products cancelled is based on a proxy average value for all doorstep purchases, not just cancelled solicited purchases. The reason this is a ‘proxy’ value is because the specific product value for purchases made was not recorded in the consumer survey, only the value range. The survey results show that, of the 661 consumers buying on the doorstep, 340 made a purchase costing under £35, 232 made a purchase costing £35-£500 and 89 made a purchase costing in excess of £500. Consequently, these figures are used to derive a simple, proxy average based on using the midpoint of the first two value ranges and the low-end point of the last product category (given there is no range of values for high-value products and, hence, the lowest value is chosen as a conservative estimate). Given that 340 consumers purchased a low value product (midpoint value is £17), 232 consumers purchased a medium value product (midpoint value is £268) and 89 consumers made a high value purchase (assumed at £501 for conservatism), the proxy average is derived based on the following calculation:

\[
\frac{(340 \times £17) + (232 \times £268) + (89 \times £501)}{661} = £170
\]

approximately.
<table>
<thead>
<tr>
<th>Data element</th>
<th>Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>The proportion of these consumers who made a purchase on the doorstep following a solicited visit and subsequently exercised their right to cancel this purchase (D)</td>
<td>7.7% (Equivalent to 57,428 households: 746,566 x 7.7%)</td>
</tr>
<tr>
<td>The number of UK households assumed to have made a purchase on their doorstep following a solicited visit and subsequently exercised their right to cancel this purchase and it was their main purchase (E) = (A) x (B) x (C) x (D)</td>
<td>57,428 (As set out above)</td>
</tr>
<tr>
<td>The average value of the main goods or services purchased by these households that were subsequently cancelled (F)</td>
<td>£170</td>
</tr>
<tr>
<td>Total approximate estimated value of solicited purchases made by UK households that were cancelled under the new consumer cancellation rights where the purchase was the consumer’s main purchase (G) = (E) x (F)</td>
<td>£9.75 million</td>
</tr>
</tbody>
</table>

5.19 The figures in the table indicate that UK households are estimated to have made £9.75 million worth of doorstep purchases as a result of solicited visits that were subsequently cancelled.

5.20 Finally, this figure represents an estimate of gross impact, rather than a net impact. That is, there is a cost involved with these cancellations given the time and effort expended by traders to secure these sales of their products and services which are subsequently cancelled. Consequently, to derive the net impact, it is necessary to account for the opportunity cost of the traders’ time in securing sales that deliver no benefit as a result of their subsequent cancellation.

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102 A total of 10 of 130 consumers surveyed (weighted) cancelled their purchase, or 7.7 per cent of all consumers making a solicited doorstep purchase

103 Rounded to nearest £50,000.
5.21 As part of its original Regulatory Impact Assessment (RIA)\textsuperscript{104} for the changes in cancellation rights, BIS reported an average annual cost of £5.7 million associated with the changes in doorstep selling regulations. This was largely attributable to the opportunity cost to traders of cancelled sales. The figure was based on an assumption that the opportunity cost to traders was equivalent to around 12.5 per cent of the purchase price of the cancelled good or service (because BIS assumed that the value of most cancellations was approximately £4,000 and these were double-glazing products, for which the opportunity cost to traders was £500 for each sale, or 12.5 per cent of the product price). Consequently, making the same assumption here results in an opportunity cost to traders of around £1.22 million (12.5 per cent of £9.75 million), which suggests that the approximate net benefit associated with avoided consumer detriment is around £8.5 million.

Value for money and overall financial impacts

5.22 This section presents evidence on the overall value for money and financial costs and benefits generated as a result of the OFT’s study.

Financial costs associated with the OFT’s market study

5.23 A core aspect of this evaluation study is to quantify the costs associated with the OFT’s market study, including the direct costs to the OFT of undertaking the study, the costs to Government, regulators and local authorities of implementing changes in regulations arising from the OFT’s study and any costs to businesses as a result of increased regulatory burden. This section documents the cost information that it has been possible to gather and evidence.

5.24 Evidence from the OFT indicates that the total direct cost of undertaking its market study investigation between 2002 and 2004 was in the order of £495,000.

5.25 Evidence surrounding the costs to business associated with the changes in regulations (other than the opportunity costs of cancelled sales which

\textsuperscript{104} BIS (2008), \textit{Cancellation of Contracts Made in a Consumer’s Home or Place of Work etc Regulations 2008}, available at www.ialibrary.bis.gov.uk/ImpactAssessment/?IAID=4aaed40d098b4b239579981729197166.
were incorporated above in deriving a net benefit of avoided consumer detriment) suggests that such costs are likely to be very minimal. The changes in the doorstep selling regulations from 2008 prescribe certain actions that traders need to take and, in this regard, many traders will have incurred a cost in complying with the regulations (such as the costs of developing and printing new contracts and supporting information). However, interviews with stakeholders, including a small number of doorstep traders, suggest that, on balance, any such costs are minimal and were only incurred once by businesses rather than recurring on an annual basis:

‘There was a one-off cost for the business in terms of producing the contracts.’

‘Increased costs are limited – just some costs in printing terms and conditions.’

5.26 A small number of businesses interviewed for this study cited ‘extra paperwork’ on which they spend additional time as a result of the changes in the doorstep selling regulations. However, it could be the case that these businesses have conflated the changes in doorstep regulations with other regulations that have been the real cause of the additional paperwork as it is not clear that the changes in the doorstep regulations impose any reporting/paperwork burdens on traders other than the one-off changes cited above.

5.27 Finally, to the extent that the changes in regulations have improved the credibility and legitimacy of doorstep traders among consumers, this may have created additional business benefits for some traders that outweigh any one-off regulatory/administrative costs incurred.

5.28 On balance, it is not possible to quantify with any certainty the full costs associated with implementing the OFT’s recommendations. The cost of the OFT market study, £495,000, is likely to be an underestimation of the total cost for the reasons discussed above.

**Financial benefits associated with the OFT’s market study**

5.29 This report has monetised the consumer impacts associated with the OFT’s market study where feasible and presented qualitative information on consumer impacts where monetisation is not possible.
5.30 As a result of the work on consumer impacts, the main areas where approximate financial estimates of impact are derived relate to the extension of consumer protection rights (cancellation rights and cooling off periods) to doorstep sales involving a solicited visit. Specifically, this chapter derives proxy quantitative/monetary estimates of:

- the increased consumer confidence demonstrated by purchases that would not have occurred in the absence of the OFT’s market study recommendations regarding the extension of cooling off periods and cancellation rights, and
- the consumer detriment avoided as a result of the OFT’s market study recommendations regarding the extension of cooling off periods and cancellation rights.

5.31 Two transparent, conservative and very approximate monetary estimates for the impact of the OFT’s market study are derived which suggest that the average annual value of these improvements since 2008\[105\] could be in the order of:

- £57.0 million in sales growth in response to improvements in ‘consumer confidence’, and
- £8.5 million in reduced/avoided ‘consumer detriment’.

5.32 The scarcity of evidence on the full costs of implementing the OFT’s recommendations combined with limitations in monetising a number of non-price dimensions of service means that deriving a meaningful and comprehensive benefit-to-cost ratio associated with the OFT’s market study is problematic.

5.33 However, on the basis of the (somewhat limited) information on costs and the partial estimates of financial benefits accruing to consumers, the overall benefits associated with the OFT’s market study would appear to be well in excess of the associated costs.

\[105\] Although the OFT’s market study was published in 2004, the resulting changes to consumer regulations (which form the basis for the monetary impacts derived herein) were only made in 2008.
5.34 In summary, qualitative and quantitative evidence and analysis surrounding changes in doorstep sales, and the extent to which these changes have been driven by the OFT’s market study, point to improvements in outcomes for consumers since 2004 (and especially since 2008 with changes in consumer protection arrangements). The extension of relevant consumer protection arrangements (cooling off periods and cancellation rights) to solicited purchases, combined with changes in the way this information is required to be presented to consumers, indicates that consumers who purchase on the doorstep are better placed now than in 2004, with increased flexibility to change their minds and avoid unwanted purchases. The evidence included herein points to improvements in outcomes that continue to accrue for consumers involved in transactions in the home.
6  CONCLUSIONS

Summary of key findings

6.1  This evaluation of the impact of the OFT’s market study into doorstep selling finds some positive areas of progress and change since 2004.

6.2  There has been a growth in doorstep sales since 2004. Research undertaken for this study suggests that the value of doorstep sales has increased to £3.3 billion in 2010 (based on the definition used by the OFT in 2004). This represents real growth in doorstep sales of 19 per cent (2.9 per cent per annum) over the period since the 2004 market study. This increase has been driven by higher doorstep sales of double-glazing, conservatories and low/mid-value products compared to the 2004 estimates. The estimated value of doorstep sales rises to £4.7 billion per annum in 2010 (excluding energy sales) on the basis of a broader definition of doorstep selling than that used in the OFT’s market study.

6.3  The increasing scope and scale of UK doorstep sales emphasises the importance of this sales channel for UK consumers and, in particular, for certain vulnerable consumer groups, such as the elderly and disabled, who may be more constrained in accessing alternative sales channels for some products.

6.4  This evaluation presents and analyses evidence on the impact of the OFT’s market study recommendations, including the response of market participants (traders and consumers) to the recommendations made. While some changes can be seen as a direct consequence of the recommendations made by the OFT, it is clear that other changes have occurred over the period as a result of exogenous factors. The key findings are summarised below:

- Consumer confidence and satisfaction – the overall aim of the OFT is to make markets work well for consumers. Effective consumers are able to shop confidently and efficiently drive competition between retailers which, in turn, pushes them to deliver the right products for consumers. The OFT recommendations to improve cancellation rights, improve awareness of rights and ensure greater price transparency all help empower consumers to shop effectively.
Overall, confidence levels when buying on the doorstep are high and improving. In 2004, 70 per cent of consumers were ‘fairly’ or ‘very’ satisfied with the sales process and this had increased to 83 per cent by 2010. Similarly, satisfaction with the goods and services purchased has remained high, rising from 76 per cent to 78 per cent over the same period.

- **Cancellation rights** – one of the key outcomes of the OFT market study was to expand cancellation rights to purchases made through solicited as well as unsolicited purchases. As a result of this change in cancellation rights, three per cent of consumers who made a purchase following a solicited visit cancelled their purchase. In relation to awareness of cancellation rights, the majority of consumer survey respondents (77 per cent) were satisfied that they were aware of their right to cancel, which is higher than the corresponding figure of 74 per cent of consumers in 2004 (although not a statistically significant difference). This is likely to impact positively on consumer confidence insofar as consumers feel aware and informed of their rights when making purchases in the home.

- **Written quotes** – a further recommendation from the 2004 market study was to encourage traders, either through self-regulation or through membership of approved codes of practice, to provide greater transparency on prices and provide more written quotes. For high value products over £500, the consumer survey found that 80 per cent of consumers received written quotes. Whilst there is no 2004 comparator, this suggests, prima facie, a relatively positive degree of price transparency for products with the greatest scale of potential consumer detriment. Stakeholders consulted noted that regulations are less clear in this area than they are in relation to other aspects of information provision to consumers and that there may be scope to strengthen further consumer policy in order to ensure that more sellers provide written quotes to their customers as a matter of course.

6.5 Despite the additional cancellation rights available to consumers and the high levels of satisfaction, the consumer survey highlights a number of **possible concerns that persist in relation to doorstep sales**. In particular, there are a number of factors which could be expected to drive
satisfaction which have not improved despite an underlying improvement in consumer satisfaction with doorstep sales, including:

- **Sales techniques** – there is some evidence to suggest that certain consumers remain subject to high pressure sales techniques in specific product markets such as home repairs and improvements, mobility aids, and energy. However, the results of the consumer survey suggest that pressure selling does not appear to be a major concern for consumers, as only 15 per cent agreed that the sales person had imposed pressure on them.

- **Price comparisons** – the proportion of consumers making price comparisons prior to purchasing on the doorstep has declined. The ability of consumers to make price comparisons can be affected by the mobility of the consumer, local availability of products and retailers, time pressures and the availability of internet access and computer literacy of consumers.

- **Price variation** – while there is some evidence, albeit inconclusive, that price variation across some product types sold on the doorstep has declined in recent years (driven by increased competition from high street stores and online retailers), the consumer survey findings suggest that a substantial degree of price variation in doorstep sales remains, with the highest quotes received by the average consumer amounting to nearly twice the level of the lowest quotes received.

6.6 However, despite this lack of progress in some areas, there is no evidence to suggest that the OFT’s market study has had an adverse impact. Nor is there any evidence to suggest that this lack of progress in some areas has impacted adversely on overall consumer confidence and satisfaction. As noted above, consumers are generally very satisfied with the purchases they make on the doorstep and in the home, including the associated sales process.

**Concluding remarks**

6.7 On the basis of the evidence obtained and analysed from primary and secondary research, the following observations and concluding remarks are made.
6.8 **Consumer outcomes in relation to doorstep sales are generally positive.** There are high (and growing) levels of consumer satisfaction, both with the doorstep sales visit and the goods and services themselves. In market segments where the scope for consumer detriment is greatest (in relation to medium- and high-value purchases), consumers generally report receiving the information they need from businesses to provide clarity and certainty with respect to prices and consumer rights. Finally, there has been a slight improvement in reported awareness of cancellation rights, which is likely to impact positively on consumer confidence insofar as consumers feel aware and informed of their rights when making purchases in the home.

6.9 **Estimates of the approximate annual monetised benefits likely to have been delivered by the OFT’s market study are in the order of £57.0 million (in sales growth from improvements to ‘consumer confidence’) and £8.5 million (in reduced/avoided ‘consumer detriment’).** Benefits of this nature will continue to accrue in future years. However, extreme caution is urged in interpreting these figures given the proxy nature of the estimates.

6.10 **Qualitative evidence and analysis surrounding changes in doorstep sales also point to improvements in consumer outcomes since 2004 that it is not feasible to monetise.** Consumer complaints regarding doorstep sales have recently fallen (thereby reversing a trend of rising complaints between 2006 and 2010) and levels of overall consumer satisfaction with doorstep purchases are higher now than in 2004.

6.11 **Prima facie, there are some possible concerns that persist in relation to doorstep sales, although it is unclear as to the additional consumer benefits likely to be delivered by addressing these areas.** There is some evidence to suggest that certain consumers remain subject to high pressure sales techniques in specific product markets. Price and quality comparisons are only made in a minority of purchasing decisions and many consumers express negative sentiments towards doorstep selling. However, overall levels of consumer satisfaction are high and rising, raising questions as to the added consumer benefits of addressing these areas.