

Brexit and Beyond: What's the vision?

**NCF Consumer Congress May 2018
Summary Report**



National Consumer Federation (NCF)



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On behalf of: The National Consumer Federation (NCF)

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1. FOREWORD

The Brexit process itself is undeniably important and we continue our endeavours to secure the best possible Brexit for consumers. However, the NCF Consumer Congress, held in May 2018, highlights that consumer detriment is an ongoing challenge and that consumers will still face the same underlying problems post-Brexit as before.



We must not allow the details of the Brexit process to distract us from our long-term mission. It is imperative that there is consistency when it comes to tackling ongoing causes of consumer detriment and that we look beyond Brexit to ensure that consumer protection is maintained.

Studies prove that the scale of consumer detriment is high and has a significant impact on the UK economy.¹ In addition to direct costs to consumers, there are substantial costs to organisations that handle complaints and ensure regulatory compliance. Poor quality products and services have a cumulative, long term cost to the economy. We need to focus on reducing consumer detriment by design; minimising problems before they happen, rather than wasting scarce resources to put things right after the event.

Government action on consumer detriment remains ineffective in practice, with levels of detriment remaining stubbornly high, in spite of initiatives aimed at its reduction. To encourage effective action, we need to make the economic case for better consumer protection. Consumers are incredibly significant to the vibrancy, or otherwise, of the UK economy – and their spending generates 66% of GDP, with public services generating a further 20%.² Consumers are a major stakeholder in the economy – but this is too often overlooked.

The NCF considers that getting it right for consumers will benefit the economy and UK competitiveness as a whole. Good consumer protection requires investment in better regulation, standards and codes of practice. Lastly, and most importantly, it is essential that good consumer protection is backed up by effective market monitoring and enforcement. Get that wrong and all other efforts are wasted. Our message is clear. It is a consumer world. Consumers drive business and trade. Getting it right first time, reducing consumer detriment and building consumer protection into the design of policies, goods and services will benefit the UK economy as well as consumers.

Arnold Pindar
NCF Chairman

1 Citizens Advice 'Consumer Detriment: counting the cost of consumer problems,' September 2016

2 NCF 'It's a Consumer World', November 2017

2. BACKGROUND

2.1 What is the NCF?

The National Consumer Federation (NCF) represents the voice of UK consumers. We are an independent, not-for-profit charity, with 50 years' experience of tackling issues that affect large numbers of consumers, and campaigning for positive change. Our aim is to influence Government, regulators and businesses to ensure the consumer voice is at the heart of decision-making.

We provide a platform for everyone interested in consumer protection – from individuals, to local groups and national consumer organisations - bringing them together to share their knowledge, skills and experience. Our expertise adds value to the collective consumer voice, making it a more powerful force for change. To find out more please visit www.nationalconsumer.org.uk, follow us on Twitter @NCFvoice, or like us on Facebook **National Consumer Federation (NCF)**.

2.2 Previous Consumer Congress events

The NCF runs regular Consumer Congress events that bring together a range of consumer experts to discuss topical issues. Three such events have taken place since the Brexit Referendum.

Our first Consumer Congress, on 6th April 2017, brought together UK consumer experts to discuss the '**Best of Brexit for Consumers**'. Delegates developed 11 key consumer messages for government on Brexit.³ Our second Brexit Consumer Congress took place on 5th December 2017, focusing on our eighth key message '**Market Surveillance and Enforcement**'.⁴

Both events were attended by representatives from key consumer and public interest organisations including: Which, Citizens Advice, Ombudsman Services, Trustmark, British Standards Institution, Chartered Trading Standards Institute and Age UK, plus independent consultants and representatives from government.

2.3 NCF Consumer Congress – 3rd May 2018

Our third Consumer Congress took place at Whitehall in London on 3rd May 2018. The main focus of this event was to look beyond Brexit to prioritise work that needs to take place to ensure that consumer issues are given sufficient priority on the political agenda post-Brexit and plans put in place to reduce consumer detriment and enhance consumer protection. This report provides a summary of the event.

3 www.nationalconsumer.org.uk/wp-content/uploads/2018/02/NCF-Congress-2017-The-Consumer-Voice-on-Brexit-summary-report-2.pdf

4 www.nationalconsumer.org.uk/wp-content/uploads/2018/02/0001-NCF-Congress-5.12.17-Report-Final-2.pdf

3. BEYOND BREXIT: CHALLENGES

3.1 Introduction

Baroness Judith Wilcox, President of the National Consumer Federation, opened Congress by welcoming those present. She explained that the aim of this Consumer Congress is not to talk in detail about the transposition of laws, but to look at what lies beyond Brexit and discuss our vision for the consumer landscape in the years to come. Baroness Wilcox stressed that consumers need to remain at the heart of UK economy and summarised what has been agreed, in principle, since Brexit was announced:

- **Brexit date** – 29th March 2019
- **Withdrawal Bill** – this is currently in the House of Lords. In principle, it offers that all legislation derived from Europe will be kept after Brexit.
- **Transition agreement** – in principle, we have an agreement that there will be a transition period of one year after Brexit takes place.
- **Green paper on consumer policy** – interesting but not visionary.

However, nothing is agreed until everything is agreed. We must wait to see what happens. UK consumer protection still hangs in the balance and as a movement we must keep our eye on the ball and be prepared to respond to changes as they occur.

3.2 Consumer detriment

John Bridgeman CBE, Former Director General of Fair Trading, talked about the scale of consumer detriment and priorities for reducing it. He explained that consumer detriment can be high with 'big ticket' items, such as housing, where a lot of consumer spending goes. Mr Bridgeman went on to illustrate several examples of areas with high consumer detriment – housing, cars and emissions, the water industry, smart meters, rail travel - but stressed that these problems have nothing to do with Brexit. They existed before Brexit and will exist after Brexit.

He estimated total detriment to consumers at £50 billion per year, which is almost £1 billion per week. Consumers waste a lot of time trying to resolve consumer problems. But despite high levels of problems studies show that consumers are reluctant to complain. 50% of consumer problems have to be resolved during working hours, which cuts into economic activity time. There is a lack of resources for enforcement agencies and consumers are disillusioned and confused.

Mr Bridgeman ended by saying that there have been numerous consultations - e.g. the Green paper on 'Modernising Consumer Markets' – and studies on the scale of consumer detriment and the adverse effects this can have on individuals and the economy as whole. He claimed that the UK government must recognise that the time for studies, analysis and consultation is over. The scale of consumer detriment in our country is far too high and it is time for political action.

3.3 The UK Consumer Landscape: Brexit and Beyond

Jane Wallace, Brexit Campaigns manager at Which? explained their approach to Brexit. Which? is independent and didn't take a position in the referendum. The [Consumer Charter for Brexit](#)⁵ launched in March 2018, calls on government to put consumers first and identifies four principles that matter most to consumers:

- Standards
- Choice
- Rights
- Price

It also defines nine priorities that need immediate attention from government to reassure consumers. These include: the consumer landscape, food, energy, travel and transition – areas where UK consumers currently have some reliance on European markets and need reassurance about what is going to happen.

Brexit could potentially bring about huge change, so it is important to think forward. The Which? vision is an economy where people are supported by a high level of rights/protection and have access to affordable products and services. It is important to communicate these visions clearly to government – if they don't get the message no change will take place. We need a better system that protects consumers and protects their rights.

We must look beyond Brexit to key issues. This is a significant challenge and we need to get it right. We need to work together with others in the consumer landscape, to harness the full power of the consumer movement and strengthen the consumer voice.

3.4 A future for Regulation in the UK

Tom Kiedrowski, Managing Director of the Cedar Tree Advisory Service, looked at the future of regulation post-Brexit. Businesses and consumer organisations have expressed concern about the uncertainty of regulatory protection, and potential for weaker consumer protection after we leave the EU. We don't want a race to the bottom following Brexit and high standards of regulation are crucial. The latest green paper 'Modernising Consumer Markets' from BEIS, published in April 2018, gives us some insights as how the post-Brexit regulatory and consumer landscapes might evolve:

- Competition in the consumer interest - the government says there won't be any major changes in regulatory framework. Do they have the right tools to deal with the digital economy?
- Regulation in the consumer interest. There are proposals to:
 - Create a new Consumer Forum, chaired by Minister for Consumer Affairs.
 - Introduce scorecards. Naming and shaming of poor performers.
 - Strengthen consumer advocacy in the telecoms sector where there are high levels of consumer detriment.
 - Protect the vulnerable.

⁵ Which? 'Consumer Charter for Brexit' March 2018

- Revise the legal framework to support consumer-to-consumer transactions, especially online.
- Strengthen enforcement, (higher financial penalties) improve redress (ADR) and reduce the use of unfair terms.

3.5 Standards role in the UK, EU and international

David Bell, Director of External Policy at BSI said that it is important we look beyond Brexit and standards can play a key role. The strength of our consumer movement is critical to success. Standards bring benefits to consumers, businesses and society. These benefits are magnified if consumers participate in standards development. It is vital that we maintain links with other consumer organisations to encourage consumer participation in standards which define good practice for businesses that use them.

Standards operate within a private system – not an EU agency – so it is BSI’s intention to continue to participate within the European standards system. Mr Bell highlighted some examples of recent international standards (ISO) that could benefit consumers. For example, the recently published ISO 20488 on Online Reviews and the new ISO for Vulnerable Consumers, which is currently being developed.

3.6 Consumer protection in Europe

Johannes Kleis, Director of Communications at BEUC⁶ said that European consumers have greatly benefitted from EU legislation. For example, liability rules to act against harm or loss due to defective products, a ban on leaded petrol and a law on cross-border payments. Some EU consumer legislation has influenced non-EU countries and has helped to define good practice (e.g. GDPR).

Mr Kleis identified connected devices as a key challenge faced by European consumers. Many of BEUC’s member organisations have reported serious security risks. For example, strangers who can hack smart toys and watches allowing them to listen to, talk to and locate a child⁷. Similar risks apply to smart appliances⁸. The risks to a family’s safety, security and economic situation are obvious, which is why consumer groups – at European and global level – are campaigning for mandatory security requirements for connected products.

The biggest ongoing challenge is the enforcement of the EU’s consumer policy framework. To close the enforcement gap, the European Commission in April 2018 proposed updates to core EU consumer laws, including higher sanctions for those that breach the rules.⁹ European consumer groups strongly support this measure. BEUC

⁶ Mr Kleis was unable to attend Congress due to a train strike, but notes are taken from his slides and summary document.

⁷ www.which.co.uk/reviews/smart-toys/article/smart-toys-should-you-buy-them,
www.forbrukerradet.no/undersokelse/2017/watchout/

⁸ www.test-aankoop.be/hightech/internet/nieuws/slimme-woning

⁹ www.ec.europa.eu/newsroom/just/item-detail.cfm?item_id=620435

also supports a long-awaited and overdue proposal for collective redress, which will make it easier and cheaper for EU consumers to hold businesses to account. Allowing people to go to court together will make EU consumer law more enforceable.

Mr Kleis identified an increased need for global cooperation in the area of market surveillance, enforcement and resolution of consumer disputes, and concluded that globalisation of challenges is likely to lead to more countries using EU regulation as an inspiration for their own legislative measures.

3.7 Consumer protection at an International level

Amanda Long, Director General of Consumers International, stressed that globalisation and e-commerce are changing the consumer experience. Digitalisation of both products and services is a burning issue, which brings many benefits to consumers but also creates new risks and types of consumer detriment.

One risk is the privacy and security of personal data. Digitalisation allows businesses to store and transfer large amounts of data across borders. Access to some data is necessary to enhance functionality, but many consumers don't understand their rights when it comes to their own data. Developing effective rules is challenging. Opportunities for data breaches are growing. Globally, half a billion personal records were lost or stolen in 2015, but that's just the cases we know about. Many are unreported.

Another risk is the growing trend of internet connected products. At the 2018 G20 Consumer Summit delegates called on tighter rules for connected toys and products aimed specifically at children. Another increasing challenge is the consumer right to information. Online terms and conditions can be extremely long and complex, leaving consumers to 'tick, click and hope for the best.' There is a lack of clear meaningful and understandable information online, and consumers need better.

In the context of globalisation and digitalisation some issues can only be dealt with on a global basis. International guidelines and standards can help to develop common practices for a global market. We need to share good practice at an international level, for example via OECD, UNCTAD and the UNGCP. This month the global digital index will be released. This is a global resource for policy makers and civil society, funded by the German G20 presidency, which highlights who is doing what, well. We need consumer participation in international trade to ensure that consumers are protected.

3.8 ISO Privacy by Design

Sadie Homer, Consumer and Public Interest Policy Executive at BSI presented on behalf of Pete Eisenegger highlighting the growing risk to consumers' personal data. The General Data Protection Regulations (GDPR) will enhance protection for EU consumers. However, at an international level there is a need for a standard to define good practice for businesses, so that those who want to improve can.

A new ISO on Privacy by Design is currently being developed and it stresses the importance of getting things right first time and embedding privacy and security

features into products and services at the beginning to minimise risks and further down the line. More information about this ISO can be found at www.iso.org.¹⁰

3.9 Consumer safety data

Dr Gordon Hayward, Consumer Risk Ltd, summarised the importance of collecting accident and injury data, which is vital to identifying problems when they happen, so that changes can be implemented, and further accidents prevented. He feels that the current systems are inadequate. Most are not publicly available, detail is limited, classification is too broad, and there is a lack of collaboration needed to make statistics useful. Many people rely on telling friends and family about negative experiences, or leaving online reviews, which does not result in positive action to make things safer.

Dr Hayward explained his vision for improvements to the system, which could benefit consumers:

- Online public reporting. To enable easy collection and analysis of data. Others (e.g. Trading Standards) should be able to search anonymised data.
- Making use of a patient's own IT in A&E. Contacting consumers at time of accident/ emergency is most productive time to contact. Patients could be invited to share information when logging onto A&E wi-fi. Options to remain anonymous, be contacted later or to generate a complaint.
- The artificial interviewer. The consumer summarises the incident. A 'chat-bot' asks supplementary questions to fill in the gaps.
- Matching incidents. Something human interviewers cannot do. Other incidents that have something in common. Using artificial Intelligence to recognise patterns. E.g. similar complaints about the same product.
- Connecting consumers to other consumers. Raise awareness of problems, Information sharing, Enable class actions.
- Personalised consumer page for individuals. My complaints. Action to take.
- Professionals benefit from sharing information with other consumers.

He highlighted the need for consistency in data collection and said that use of artificial intelligence could help to avoid the obstacles of the past. He proposed the development of a 'Makeitsafer.uk' website and urged delegates to promote this idea to safety charities, governments and other stakeholders.

¹⁰ www.iso.org/news/ref2291.html

4. BEYOND BREXIT: THE VISION

4.1 Introduction

In breakout groups, delegates discussed the following questions:

- a) What needs to be done to maintain and enhance consumer protection post-Brexit?
- b) How can we ensure that consumer detriment is properly understood and addressed in the UK?
- c) How can we ensure that the UK continues to play a leading role in consumer protection and standards in Europe and internationally?

Many of the proposed ideas and solutions were interlinked, so all discussions and recommendations are summarised together in the sections below.

4.2 Moving consumer protection up the political agenda

Some delegates felt that politicians are preoccupied with the Brexit process and there is a danger of overlooking underlying consumer issues and failing to look beyond Brexit to the future. It is crucial that consumer protection is maintained and enhanced post-Brexit. It was agreed by all that if we wish to achieve this, one of our main objectives must be to move consumer protection up the political agenda.

John Bridgeman said: 'The UK has a fragmented consumer protection system which is no longer fit for purpose. Looking to the future, our priority must be to ensure a significant improvement in the welfare of UK consumers. We must continue to push for this to appear in the mainstream government agenda, and not be treated as a side issue. The scale of detriment needs to be a priority, with a particular focus on vulnerable consumers.' Pushing for consumer issues to appear in the main stream government agenda could be achieved in a number of ways (**see 4.2.1- 4.2.4**).

4.2.1 Consumers and the economy

Delegates agreed with Arnold Pindar's opening speech that: 'Consumers are a major stakeholder in the economy, but this is too often overlooked.' In discussions it was agreed that:

- a) The consumer movement must work with government to highlight the significant impact that consumers have on the UK economy; and
- b) The consumer voice must be heard in trade agreements.

We need high level government awareness of the importance of consumer protection and understanding of the scale of consumer detriment and how this impacts the UK economy as a whole. Robust data is needed to prove the link between consumers and the UK economy.

Amanda Long, from Consumers International (**see 3.7**) said: 'Trade is a key factor and it is crucial for consumers to be involved in those discussions. The nature of trade agreements has changed over the last few decades. Regional and bilateral – less

transparent. It is really hard for consumer organisations to get the information that they need to influence outcomes.’

Jane Wallace from Which? (**see 3.3**) feels that trade will be a key challenge after Brexit. Consumer confidence is vital to successful trade deals, and easily lost. This is pivotal to key areas such as food, farming, energy and transport. ‘Consumers spend £100 billion each month and consumers need their voice to be heard in trade talks.’ Delegates agreed that effective consumer engagement is essential to ensure that consumer concerns are understood and addressed – and that clear consumer benefits can be delivered. Delegates backed the idea put forward by BEUC, the European Consumer Organisation, of a consumer chapter to be included in all trade agreements.

Recommendations:

- Engage with government and policymakers to promote the link between consumers and the economy.
 - Consumer engagement in process of creating trade agreements.
 - Inclusion of a consumer chapter in trade agreements.
-

4.2.2 Consumer protection by design

Amanda Long from Consumer International says that ‘there is a tendency to fall back on remedies’, where action is taken after the event. More effective is, for example, the new international standard (ISO) on Privacy by Design embeds privacy and security into systems at the development stage. She hailed this as ‘a positive shift’ where ‘the onus is on suppliers rather than consumers’.

Delegates agreed that we need a similar, more pre-emptive approach to reducing consumer detriment by creating systems and processes with higher levels of consumer protection already built in. During the morning session, presenters established the significant cost to UK businesses and government of dealing with consumer complaints and rectifying problems. Building good practice and consumer protection into systems at the start would help industry to get things right first time, thereby minimising detriment and reducing costs to the economy.

Recommendations:

- Pre-emptive, proactive approach to reducing consumer detriment and getting things right first time – by focusing on ‘consumer protection by design’.
-

4.2.3 Strong UK consumer voice

To maintain and enhance consumer protection post-Brexit we need a strong cohesive consumer voice. We must ensure that the UK consumer movement continues to

engage with consumer organisations, policy-makers and standards-makers not only within the UK, but across the EU and at an international level. We must keep tapped into existing networks and build partnerships with other relevant organisations. We need joined up thinking and action. We need a strong UK consumer voice to convey our message. It is vital that Government invests more effectively in the brand ‘**Consumer UK**’. Collaboration across the consumer movement is key to combine resources and avoid duplication of work. As Jane Wallace from Which? said ‘We need to work together with others in the consumer landscape, to harness the full power of the consumer movement and strengthen the consumer voice.’

There should be clear visibility of consumer issues within government – and a senior minister to actively engage with the consumer movement and promote trust. There was wide support for the Green Paper proposal to create a consumer forum, chaired by a minister for Consumer Affairs as, provided consumer organisations are represented, this would provide a much-needed link between the consumer movement and the government, helping to move consumer issues up the political agenda.

Delegates pointed out that that there will always be challenges to consumer protection and we do not expect all consumer problems will be solved post-Brexit. Consumer issues are constantly evolving, and consumer protection is a matter of continual improvement. Delegates agreed that this is a journey which requires an ongoing commitment, dedication and perseverance. Looking beyond Brexit we should aspire to the UK having a world leading framework for consumer protection, which demonstrates best practice. We need to raise the bar and lead by example.

In discussions, delegates said it is essential that the consumer voice is heard in the right place at the right time. We need to be seen and heard at the right ‘party’. Others said it is crucial that consumer groups receive adequate funding. More consumer expertise is needed – especially in areas where detailed technical knowledge is needed, such as privacy. There were questions around resourcing and how this expertise would be funded.

4.2.4 Prioritise our work

Given the limited resources of the consumer movement, there was agreement that we should focus our energies on areas of the highest consumer detriment. That might be to campaign for better consumer protection in specific sectors or industries, or to focus on specific groups of consumers, such as those in vulnerable situations.

Recommendations:

- Collaborate and communicate with other UK consumer groups to build a powerful ‘Consumer UK’ voice.
- Maintain and enhance links with key stakeholders at a European and international level.
- Focus work in areas of highest consumer detriment.

4.3 Changing business culture

In addition to raising awareness at government level (**see 4.2**) and educating consumers (**see 4.4**), delegates identified a need to engage with businesses to help them understand the consumer perspective. We need industry to understand how consumer protection links to profit and realise that getting things right first time and reducing detriment will boost consumer trust and profits. As one delegate pointed out: 'Focus on consumers not profit, equals more profit!'

Delegates discussed both 'carrot' and 'stick' methods to help support and encourage the 'good guys' and punish the 'bad guys'. There was recognition that many businesses are getting things wrong simply because they don't know the rules or understand how to follow them. The 'good guys' should be encouraged to follow good practice and need clear guidance on how to build consumer protection into their systems and processes. Standards could help to achieve this. Positive case studies could be used to highlight and demonstrate good practice. Good practice for industry would reduce workload for market surveillance and enforcement authorities. Manufacturers and suppliers need quality feedback about causes of consumer detriment – perhaps from online complaints – so that they can build prevention into design and use.

Recognising the limited resources available for consumer organisations, one group of delegates raised the idea of a levy on businesses to support consumer activities. Delegates supported proposals in the Green Paper to 'name and shame' those businesses that continually flout the rules. Poor efforts should be publicised to encourage improvement. One group of delegates suggested that the government should develop incentives for businesses to comply with standards e.g. tax breaks for builders that comply with professional standards.

4.3.1 Voluntary standards

There was wide support for voluntary standards as a way of providing a blueprint of good practice. Delegates agreed that it is very important for the UK to continue to participate in European and international standards and welcomed Mr Bell's reassurance that this was BSI's intention.

Amanda Long from Consumers International (**see 3.7**) called standards a 'valuable tool – especially in the cross-border market' and proposed that international standards would be a good way to tackle consumer issues caused by globalisation. She suggested that the consumer movement could propose new work items in key areas, such as the sharing economy and asked: 'What should new standards for digital be?'. Some delegates suggested that there should be public funding for standards where there is a strong public interest and evident benefit to consumers. Others suggested that there should be a focus on standards for consumer services, with one suggestion being a standard for trusted traders, approval schemes and codes.

To encourage take up and compliance of standards, delegates felt that we need to break down barriers such as price and speed of development. They agreed with Ms Long that one of the main barriers is the time taken to develop a standard, which is

typically 2-3 years. They realise the importance of multi-stakeholder engagement, which adds to the time taken, but felt that the process should be speeded up to help reduce consumer detriment in areas of fast moving technological development.

Another key barrier is the difficulty of finding adequate consumer representation in standards. The current reliance on volunteers to input the consumer voice in standards is not enough. We need a commitment from government to provide adequate resources for consumer representatives to put forward the consumer perspective at the relevant meetings. For example, ANEC¹¹, ISO/COPOLCO¹² and Consumers International. To maintain and enhance consumer protection beyond Brexit we must preserve strong links with European (e.g. CEN and CENELEC) and international (e.g. ISO and IEC) standards bodies to ensure that the UK consumer voice is heard.

4.3.2 Key role for regulators

In his presentation Tom Kiedrowski stressed the important role of regulators in informing businesses, encouraging good practice, setting rules and monitoring compliance. The NCF [Consumer Charter for Regulators](#) was published in 2012. It defines how regulators can be effective. Several delegates suggested that it might be useful to review this, in light of Brexit, to see if any updates are needed.

Recommendations:

- Engage with business to raise awareness that reducing detriment will lead to an increase in consumer trust and profits.
- Promote standards as a way of defining good practice.
- Put forward new ideas for standards that will have a positive impact on consumers.
- Seek commitment from government for adequate funding for consumer representatives.
- Review NCF Charter for Regulators with a view to update if necessary.

4.4 Consumer education

Raising awareness of consumer issues is vital to maintaining and enhancing consumer protection post-Brexit. We need to raise a new generation of consumers who understand their rights. Consumer education should be compulsory in all schools. Young people need information so that they can make basic decisions about their welfare. For example, how to manage finances and avoid debt, basic consumer rights when shopping, starting employment etc.

11 ANEC, The European Consumer Voice in Standardisation

12 ISO/COPOLCO, The international Organisation for Standardization's Committee on Consumer Policy

Delegates suggested that awareness campaigns could be used to educate and inform consumers in areas of high consumer detriment and rapid change, such as digital services and privacy. Social media would be a good way to target young consumers and share information at a low cost. However, not all consumers are tech-savvy, or tech-enabled, so a variety of methods should be used.

Consumers should also be made aware of which organisations are doing things right, and which aren't. Organisations like Which? can help to publicise this. 'Trusted' businesses that meet approved codes should be highlighted. Transparent consumer safety data could be used to name and shame those that consistently or significantly flout the rules.

Recommendations:

- Compulsory consumer education in schools.
- Targeted media campaigns using a variety of methods, including social media.
- Collection of consistent and comparable consumer safety data.
- Naming and shaming businesses that perform badly.

4.5 Understanding and addressing consumer detriment

Evidence of consumer detriment is needed for enforcement action but could also be used by consumer groups to identify areas where improvement is needed and to campaign for change. Robust data is crucial to raising awareness of the problems, demonstrating the link between consumer protection and the UK economy and moving consumer issues up the political agenda (**see 4.2**).

This is a leading role for the UK's consumer movement. There have been many studies into consumer detriment, but the key challenge is to get the message communicated to the right people in the right places. For this we need a strong consumer voice (**see 4.2.3**), robust data and actions to resolve the case.

We need to make better use of the evidence we have, plus collect new data in a consistent way. Delegates agreed that we need to investigate better ways of collecting and analysing data. The current system is fragmented, as pointed out by Dr Hayward in his presentation (**see 3.8**). There is a clear need for more comprehensive data to pinpoint causes of detriment. Delegates felt that, ideally, we need one central database to collect information about unsafe products and services, accidents and injuries. This should collect information from multiple sources and anonymised data should be publicly available so that it can be searched by members of the public, enforcement agencies and others. There was support from delegates for an online safety reporting system, such as that detailed by Dr Hayward. (**see 3.8**) Delegates agreed that data collection should be consumer-led, and that transparency of information is vital.

However, it was recognised that this may be logistically difficult. If this cannot be achieved, we need to join up existing systems and improve communication and collaboration between those that collect data about consumer problems and complaints. Delegates identified that in a global market, it would be valuable to have access to product safety data from both inside and outside the UK. It was recognised that the UK's ability to aggregate data might reduce after Brexit, so we need to maintain and improve cooperation and collaboration with key players, especially those at a European and international level. It would be essential to maintain an ongoing dialogue with those that already collect data about consumer detriment, such as the CMA, Citizens Advice and Trading Standards.

Once robust data was collected, it could be used to publicise the cost of detriment and campaign for change in specific industries and sectors.

Recommendations:

- Evidence of consumer detriment used to aid enforcement and campaign for change.
- Investigate ways to make better use of the data we have, and to collect new data in more innovative and consistent ways.
- Maintain links with organisations in other countries to ensure that UK consumers can benefit from safety concerns reported outside the UK.

4.6 Improve enforcement

Enforcement was identified as one of the 11 consumer priorities for Brexit at our April 2017 Consumer Congress.¹³ Although it is essential that this is addressed throughout the Brexit process, it must also be considered as essential to the protection of consumers long term. The NCF Enforcement Group, led by Jackie Minor, will address specific issues, but we must continue to drive improvements to enforcement in all of our future work.

As Arnold Pindar, Chair of NCF, pointed out in his speech: 'We need effective enforcement or it all goes to waste. If the 'bad guys' think they are not going to be caught they will step up their activity.' Delegates agreed that we need significant deterrents for those that break the rules, such as higher penalties for bad behaviour – which are enforced. This is a proposal set out in the Green Paper. Delegates suggested that fines could be invested in better market surveillance, enforcement and consumer protection agencies.

Others suggested that there is a need to change and improve the model of enforcement to make it more effective. Better funding for Trading Standards, more

¹³ www.nationalconsumer.org.uk/wp-content/uploads/2018/02/NCF-Congress-2017-The-Consumer-Voice-on-Brexit-summary-report-2.pdf

cooperation at a national level and less reliance on local authorities. Delegates agreed that there is currently too much tape which creates an administrative burden. This combined with a lack of resources reduces efficiency. Getting things right first time would help to reduce the administrative burden on enforcers. Using intelligence data about areas of consumer detriment would help to prioritise use of the resources that we do have. Investment in digital tools could help regulators enforce.

Delegates pointed out that for enforcement to work, businesses need clear rules to follow – so there is something to enforce against. The NCF Enforcement Group, which was established following the NCF Consumer Congress in December 2017¹⁴, is planning to develop a Consumer Charter for Enforcement and Congress agreed that this would provide a good basis for market surveillance and enforcement from the consumer perspective.

Recommendations:

- Support proposals for higher sanctions and financial penalties for businesses that breach the rules.
- Invest fines in better market surveillance, enforcement and consumer protection agencies.
- Change and improve model of enforcement so that there is more cooperation at a national level and less reliance on local authorities.
- Improve collection and use of intelligence data to inform enforcement agencies.
- Develop an NCF Charter for Enforcement.

4.7 Effective consumer redress

In addition to enforcement there must be effective remedies for individuals and groups when things go wrong. Delegates agreed that consumers need easier access to redress. Someone suggested a reduction in the 8-week limit to start the ADR process.

Good practice in terms of complaints handling is already defined in standards¹⁵ and these should be promoted to business. Consumer complaints should be channelled effectively to ensure they reach the right person or organisation who can action a remedy.

Beyond Brexit, delegates felt it important that access to justice and redress must continue cross-border. Just because we are leaving the European Union doesn't mean that consumers will stop shopping, travelling and working in Europe and beyond. They will still need help to resolve problems that originate outside the UK. We need judicial

14 www.nationalconsumer.org.uk/wp-content/uploads/2018/02/0001-NCF-Congress-5.12.17-Report-Final-2.pdf

15 BS ISO 10002 and BS ISO 10003

cooperation to continue across borders – e.g. European Consumer Centres (ECC-Net), European courts, small claims. ODR, ADR, Ombudsmen, ICPEN.

To encourage redress, consumers must be empowered with information about their rights and who to contact in the event of a problem. Consumers should be equally protected online as offline, regardless of the seller. Delegates supported proposals for collective redress, set out in the European New Deal for Consumers and the UK Green Paper ‘Modernising Consumer Markets’. Although Congress was looking ‘beyond Brexit’ it was noted that consumer organisations will need to ‘track’ or monitor laws as they are transferred to UK legislation to ensure that protection is not weakened.

Recommendations:

- Consumers need easier access to effective mechanisms of redress.
 - Promote existing complaints-handling standards to businesses.
 - Campaign for consumer access to cross-border justice and redress to continue post Brexit.
 - Empower consumers to seek remedies by making sure that they are aware of their rights.
 - Support proposals for collective redress.
-

5. CONCLUSION

UK consumers are facing unprecedented levels of consumer detriment. Longstanding problems exist in traditional sectors, and new challenges have been created by emerging technologies. Government initiatives to tackle problems have been largely ineffective, leading to negligible improvements. Members of Congress agreed that it is time for urgent and meaningful action to tackle consumer detriment, particularly in key areas such as: telecoms, housing, rail travel, smart products and digital services. Although Brexit is undeniably important, we must retain focus on our long-term mission - to empower and protect consumers in the years beyond Brexit.

Significant change will not take place without political support, so it is imperative that the consumer movement's key messages are clearly communicated to government and decision-makers. It is vital that the government recognises the scale of consumer detriment, and the significant impact it has on the UK economy. We must continue to push for consumer issues to be high on the political agenda.

Furthermore, we must engage with consumers and businesses to educate and inform them of their rights and responsibilities. We need to change business culture by raising awareness of good practice, promoting 'consumer protection by design' and drumming home the message that 'focusing on consumers not profit, equals more profit!'

To achieve our aims, delegates agreed that we need: a) robust evidence of consumer detriment and its impact on the UK economy, and b) a strong, united consumer voice. Existing data is insufficient, and we must investigate more effective ways of collecting data about the causes and impacts of consumer detriment. Data needs to be detailed, consistent and comparable so that causes of detriment can be identified and UK consumers adequately protected from potential risks. Where problems do occur, the emphasis must be on swift and effective corrective action to minimise future detriment and ensure consumers get adequate redress.

The UK consumer movement must continue to work together – as brand '**Consumer UK**' - to identify priorities, raise awareness of the key issues and strengthen the consumer voice. In light of Brexit, it is increasingly important that we engage with consumer organisations, policy-makers and standards-makers not only within the UK, but at a European and international level. It is vital that organisations representing consumers are given the resources they need to operate effectively, and we must urge government to invest in Consumer UK and recognise its importance to our future.

Together we have the potential to be a powerful force for change. By influencing policy and helping businesses to get it right first time we can reduce consumer detriment, which in turn will enhance consumer protection and strengthen the UK economy during Brexit, and beyond.

6. SUMMARY OF RECOMMENDATIONS

Congress recommendations for reducing consumer detriment and enhancing consumer protection beyond Brexit:

a) **Move consumer protection up the political agenda**

- Engage with government and policymakers to promote the link between consumers and the economy.
- Campaign for consumer engagement in process of creating trade agreements.
- Support proposals for a consumer chapter in trade agreements.

b) **Promote consumer protection by design**

- Pre-emptive, proactive approach to reducing consumer detriment and getting things right first time – by focusing on ‘consumer protection by design’.

c) **Strengthen the voice of UK consumers**

- Collaborate and communicate with other UK consumer groups to build a powerful ‘Consumer UK’ voice.
- Maintain and enhance links with key stakeholders at a European and international level.
- Focus work in areas of highest consumer detriment.

d) **Change business culture**

- Engage with business to raise awareness that reducing detriment will lead to an increase in consumer trust and profits.
- Promote standards as a way of defining good practice.
- Put forward new ideas for standards that will have a positive impact on consumers.
- Seek commitment from government for adequate funding for consumer representatives.
- Review NCF Charter for Regulators with a view to update if necessary.

e) **Educate and inform consumers**

- Campaign for compulsory consumer education in schools.
- Targeted media campaigns using a variety of methods, including social media.
- Collection of consistent and comparable consumer safety data.
- Support initiatives to name and shame businesses that perform badly.

f) **Evidence of consumer detriment**

- Evidence of consumer detriment used to aid enforcement and campaign for change.
- Investigate ways to make better use of the data we have, and to collect new data in more innovative and consistent ways.
- Maintain links with organisations in other countries to ensure that UK consumers can benefit from safety concerns reported outside the UK.

g) Improve enforcement

- Support proposals for higher sanctions and financial penalties for businesses that breach the rules.
- Invest fines in better market surveillance, enforcement and consumer protection agencies.
- Change and improve model of enforcement so that there is more cooperation at a national level and less reliance on local authorities.
- Improve collection and use of intelligence data to inform enforcement.
- Develop an NCF Charter for Enforcement.

h) Effective consumer redress

- Consumers need easier access to effective mechanisms of redress.
- Promote existing complaints-handling standards to businesses.
- Campaign for consumer access to cross-border justice and redress to continue post Brexit.
- Empower consumers to seek remedies by making sure that they are aware of their rights.
- Support proposals for collective redress.



CONSUMER CONGRESS 2018

BREXIT AND BEYOND: WHAT'S THE VISION?
3rd May 2018 | 10:30 - 16:30 | London

Programme

Programme

Congress will provide ample opportunity for all participants to contribute to a collective vision of effective consumer protection in the Government's planned modern consumer market.

Moderated by: Jackie Minor - Former Director for Consumer Policy and Head of European Commission Representation in the UK

09:45 Reception

10:30 Welcome and introduction

Baroness Wilcox of Plymouth
President, NCF

Consumer protection in the UK

10:40 Scale and priorities for reducing consumer detriment

John Bridgeman CBE TD DL
Former Director General of Fair Trading

11:00 The UK consumer landscape: Brexit and beyond

Jane Wallace
Which?

11:20 A future for Regulation in the UK

Tom Kiedrowski
Managing Director, The Cedar Tree Advisory Services (CTAS)

11:40 Standards role in the UK, EU and internationally

David Bell
Director of Standards Policy, British Standards Institution (BSI)

12:00 Progress of NCF Enforcement Group

Jackie Minor
Chair, NCF Enforcement Group

12:10 The European consumer perspective on consumer protection

Johannes Kleis
Director of Communications, BEUC

Consumer protection in Europe and international

12:30 International perspective on consumer protection

Amanda Long
Consumers International

12:50 Lunch

13:50 Consumer protection in a digital world

Pete Eisenegger
NCF Executive Committee

14:10 One component of a vision: make-it-safer.uk - Consumer-generated enforcement

Dr Gordon Hayward
Consumer Risk Ltd

14:30 Considerations for the consumer vision as we leave the EU

Arnold Pindar
Chairman, NCF

Breakout Session

14:50 What needs to be done to maintain and enhance consumer protection post-Brexit?

How can we ensure that consumer detriment is properly understood and addressed in the UK?

How can we ensure that the UK continues to play a leading role in consumer protection and standards in Europe & internationally?

Julie Hunter
Consumer Journalist, Researcher and Consultant

Stephen Russell
Secretary General, ANEC

Sadie Homer
Consumer and Public Interest Policy Executive, BSI

16:00 Plenary Report Back

16:20 Round up