

NORTH LINCOLNSHIRE COUNCIL

**HIGHWAYS & NEIGHBOURHOODS
CABINET MEMBER**

FUTURE OF CONSUMER DIRECT

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To advise Cabinet Member of the changes to Consumer Direct, the national Consumer Advice Service, due to take place from 1 April 2012.
- 1.2 The key points in this report are:
- The existing arrangements in place.
 - The future arrangements.
 - The likely effects upon consumers and the Council.

2. BACKGROUND INFORMATION

- 2.1 Prior to August 2004 all consumer advice within North Lincolnshire was provided by North Lincolnshire Council.
- 2.2 In August 2004 the government launched the national consumer help line Consumer Direct (CD). Under the auspices of the Office of Fair Trading (OFT). One call centre was housed in each region and in normal circumstances, that call centre dealt with all consumer complaint calls originating from within that region.
- 2.3 All complaints received were recorded onto a National Database, hosted by the OFT. This allowed the OFT to monitor patterns of complaints and potential rogue traders.
- 2.4 Simple complaints were dealt with by the local CD centre while more complicated cases, those involving breaches of consumer legislation and consumers whose complaints had not been satisfied following initial advice, were referred back to the originating authority for further advice or intervention as required.
- 2.5 Progressively the number of call centres was reduced until, by April 2010, there were only 6 call centres. The amount per call received was also reduced and hence the contact time between centre and consumer. In some circumstances, this has led to a reduction in the quality of data received.

- 2.6 In October 2010 the government announced that it intended that the operation of the Consumer Direct service was to be transferred to the Citizens Advice Bureaux (CAB).
- 2.7 In October 2011 CAB announced that it was awarding the contract for running the new help line in England and Wales to AGILISYS who will also be providing a new Consumer Complaints database but who will also handle all telephone complaints to CAB.
- 2.8 The OFT has announced that the existing Consumer Direct Database will not be available to the CAB due to Data Protection issues and all new complaints will be recorded on the new system only. The existing database will still be available to all local authorities for historical purposes. It is unclear as to what transitional arrangements will be in place to help consumers whose complaints are already in the system.
- 2.9 The new contract with CAB does not provide for any additional financial assistance for CAB to provide second tier advice, so present arrangements will remain in force. This means North Lincolnshire Council will continue to provide second tier advice to North Lincolnshire residents.

2.10 Key Facts

In the financial year ended 31/3/2011

Number of complaints from North Lincolnshire residents	2463
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The total number of referred cases	617
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The total amount of monetary redress Obtained for consumers by North Lincolnshire advice service	£63,057
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Our latest customer survey showed a satisfaction rate of	85%
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3. POSSIBLE CONSEQUENCES

3.1 Effects on the service

a) Government guidance for the Trading Standards Service is that this should be intelligence driven. The principal driver for this process is the intelligence received from consumer complaints. The quality of this data is key to the detection of crime and protection of consumers particularly in relation to the detection of doorstep crime and consumer scams.

b) It is also essential for the efficient resolving of consumer complaints.

It has been noted that as time per complaint is reduced so does the quality of the recorded data. This means additional checks must be carried out to verify information, before the complaint can be dealt with.

c) Complaint data is regularly transferred by secure e-mail from the CD database into the Civica APP system. As a new database is being used then changes will be required to be made within the North Lincolnshire IT systems to allow this transfer to continue. No details of this process have so far been made known or if there are any cost implications for the Council

3.2 Consequences for consumers

A recent trend has seen an increase in the number of times consumers who have contacted CD have been advised to pursue traders in the county court. Although this may be technically the correct advice it is often not in the consumer's best interests in that :-

Consumers have sued the wrong legal entity.

Sued where there was no prospect of enforcing a successful claim.

Sued when CD were not told the full story.

Sued when there was a reasonable prospect that an intervention by North Lincolnshire Trading Standards could have resolved the problem.

5. **RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)**

5.1 There should be no additional staffing implications for North Lincolnshire. Unless the quality of received data deteriorates to such an extent that additional resources are required to verify it.

5.2 As outlined above some IT resources will be required to ensure a smooth transition from the CD database to the CAB database. It is not anticipated that these will be significant.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

6.1 Statutory

In a good proportion, of instances, there is a statutory requirement for the authority to investigate complaints, which are linked to consumer protection legislation enforced by the Trading Standards department.

6.2 Crime and Disorder

'Rogue Traders', 'cold calling' on consumers, as well as harassing and intimidating consumers, are often involved in other more serious criminal activities. Reducing their activities may help to reduce levels of criminal activity within a community.

7. **RECOMMENDATIONS**

7.1 That the Cabinet Member notes the content of this report

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Background Papers used in the preparation of this report: None