



HEALTH SOCIAL CARE AND WELLBEING SCRUTINY COMMITTEE – 23RD JUNE 2015

**SUBJECT: ANNUAL REPORT ON THE CONSUMER ADVICE SERVICE PROVIDED
BY TRADING STANDARDS**

REPORT BY: CORPORATE DIRECTOR SOCIAL SERVICES

1. PURPOSE OF REPORT

- 1.1 To provide information to Members on the number and nature of complaints dealt with by the Consumer Advice function of the Trading Standards Service for the financial year 2014/2015.

2. SUMMARY

- 2.1 The Consumer Advice function within the Trading Standards Service, dealt with 1,793 requests for in-depth consumer advice during 2014/15. Consumer complaints are categorised on the authority's database by trade sector with home improvements and second-hand cars continuing, by far, to be the main source of complaints. The total value of all goods and services complained about for the financial year was £1,769,054.24.
- 2.2 First line basic consumer advice is dealt with by the Citizens Advice Consumer Services (CACS), whilst calls that require in-depth intervention due to their technically or legally complex nature are referred through to Consumer Advice officers within the Trading Standards service. Most calls are automatically referred at first contact if they relate to vulnerable consumers or criminal offences. During the last financial year CACS dealt with 3,321 telephone calls, either from Caerphilly residents, or about businesses based within Caerphilly county borough.
- 2.3 The report includes some practical examples of assistance given to Caerphilly residents by the Trading Standards Consumer Advice service during the year.

3. LINKS TO STRATEGY

The assistance provided to Caerphilly residents with consumer problems contributes to the outcomes of several strategies including:

- Strategic Equality Plan - Objective 1: Individuals, families and groups in the communities of Caerphilly county borough feel safe living their own lives at home, at work and in the community at large.
- The Caerphilly Local Service Board single integrated plan, Caerphilly Delivers – contributing to the Healthier Caerphilly, Prosperous Caerphilly, and Safer Caerphilly priorities.

4. THE REPORT

4.1 Consumer complaints are categorised on the authority's database by trade sector and by product or service. Categorisation of complaints follows the current national scheme and allows the data gathered to be used in planning services and, in particular, intervention against particular problem trade sectors.

4.2 The table below gives the top 10 products/services and the monetary value involved that were complained about during 2014/2015:

	Product/Service	Number	% of Total	Value £
1.	Second-hand cars	249	13.9	644,575
2.	Home maintenance and Improvements	190	10.6	436,718
3.	Competitions, Prize Draws	185	10.3	N/A
4.	Telecommunications (including mobiles)	91	5.1	6,214
5.	Other Personal Goods and Services	64	3.6	4,979
6.	Vehicle Repairs and Servicing	64	3.6	73,127
7.	Other Professional Services	54	3.0	18,018
8.	Toiletries and Beauty articles	53	2.9	7,440
9.	Furniture	47	2.6	33,731
10.	Personal computers	44	2.5	2,526

The analysis is comparable with national data, with home maintenance and second-hand cars being the highest sources of complaints both nationally and locally.

4.3 The variance in the number and value of the most complained about goods and services over the last four years is presented in the table below.

Product/Service	11/12	12/13	13/14	14/15
Second-hand cars				
Number / Value	192 £499,025	174 £594,331	157 £393,372	249 £644,575
Home maintenance				
Number / Value	120 £238,493	165 £300,395	221 £277,631	190 £436,716
Competitions, Prize Draws				
Number/ Value	44 N/A	43 N/A	60 N/A	185 N/A
Telecomms (inc mobiles)				
Number/ Value	67 £11,012	60 £3,185	77 £5,831	91 £6,214
Other Personal Goods and Services				
Number/ Value	N/A	N/A	N/A	64 £4,979
Vehicle Repairs and Servicing				
Number/ Value	63 £38,902	59 £40,810	50 £48,775	64 £73,127
Other Professional Services				
Number/ Value	N/A	52 £18,631	73 £32,449	54 £18,018
Toiletries and Beauty articles				
Number/ Value	N/A	N/A	43 £4,114	53 £7,440

Product/Service	11/12	12/13	13/14	14/15
<i>Furniture</i>				
Number/ Value	52 £66,935	69 £62,787	71 £48,897	47 £33,731
<i>Personal computers</i>				
Number/ Value	79 £7,507	54 £5,741	45 £4,728	44 £2,526

- 4.4 Referrals to Caerphilly Trading Standards have remained constant over the past four years. The number of complaints to the National helpline from Caerphilly residents has slightly decreased again this year, however the numbers of complaints requiring intervention, which are of a more complex nature, have continued to increase. In the current economic climate complaint resolution is significantly harder to achieve with many businesses less willing to offer consumers redress where it is due to them. As such the complexity of cases and the time taken to bring them to resolution has increased significantly.
- 4.5 The total value of all goods and services dealt with by the Council's advice service for the financial year was £1,769,054.24 and the total value of all goods and services where Caerphilly consumers sought advice either directly from the service or through CACS was £7,432,078.24. These figures exclude high value complaints regarding financial advice and prize draws.
- 4.6 Levels of criminal complaints requiring formal criminal investigation continue to rise.

5. CUSTOMER SATISFACTION LEVELS

- 5.1 A monthly quarterly satisfaction survey is sent to all users of the service. This year's results show that 95% of users were fairly or very satisfied with the service provided. The small number of service users (5%) who were not satisfied, described the root of their dissatisfaction as the failure of businesses to respond to intervention.

6. EXAMPLES OF COMPLAINTS

- 6.1 Detailed below are examples of assistance given to Caerphilly residents by the Trading Standards Consumer Advice service during the year:

A consumer purchased a vehicle from local motor dealer. From the start there were problems with the vehicle and after contacting the trader she was unable to get any commitment to resolve the issues. The consumer contacted Trading Standards for assistance and was advised to have an inspection carried out to determine what exactly was wrong with the vehicle and to enable officers to speak to the garage on her behalf. The inspection was carried out and repairs costing approximately £1000 were identified. Officers negotiated with the dealer and it was agreed that the car could either be returned for a full refund or the repairs could be carried out to put the vehicle into a satisfactory condition. The consumer decided to have repairs carried out and it was agreed that an independent garage would check the vehicle once the work had been carried out. The vehicle was repaired and the consumer was happy with the outcome.

An elderly lady had been telephone cold called by a company who had assured her that they could save her money on her utility bills and she agreed to pay them £249.99 to provide this "service". However, she subsequently changed her mind and wanted to cancel. She contacted the company who accepted her cancellation but she had difficulty in getting her money back. Officers wrote to and telephoned the company but they had ceased operating at the contact

address. Officers advised the consumer to contact her bank and request a Chargeback. This is a facility along similar lines to the protection offered by the equal liability protection of section 75 of the Consumer Protection Act. The bank successfully refunded the full £249.99.

A gentleman who was attempting to extradite his disabled brother from a mobile telephone contract contacted the service. The contract for the handset was successfully cancelled but the family continued to receive bills for a SIM only contract that they thought had been cancelled with the original contract. Attempts to resolve the matter with the company had failed and a total breakdown in communication reached. Officers were able to contact the company and with some negotiation persuaded them to cancel the outstanding charges as a gesture of good will. The family were very happy with the outcome and it was confirmed by the company that the account would be cancelled at no cost.

A consumer contacted the service following the purchase of a motor vehicle from a local motor trader. The vehicle was purchased for £8995 by means of a finance agreement with a third party. Within a very short period of time the vehicle required substantial repairs. It was also noted that although the vehicle had been advertised as having a full history and certain added extras, this was false. A criminal investigation was undertaken, but civilly the motor trader would only offer £500 towards the £2142.21 repair costs. As the vehicle was purchased by means of a finance agreement officers advised the consumer to raise a complaint with the Financial Ombudsman Service (FOS). The complaint was investigated fully and they found in the consumer's favour stating that they were satisfied that the defects would likely to have been there at the time of sale and that the consumer was mis-led at the time of sale in relation to the service history and added extras. The FOS ruled that in addition to the £500 already paid by the dealer and finance company he should be paid £1,642.21 in respect of the required repairs and a further £300 for distress and inconvenience caused. The consumer being refunded £2442.21 in total.

A lady had a problem with an oven six months after the installation of a new kitchen and was having difficulty getting it replaced. When she contacted Trading Standards she had already been waiting three months for a replacement oven. The consumers contract was with the installer who was having difficulty in getting the manufactures to replace the oven within a reasonable time. Officers contacted the installers and the manufacturers and the oven was replaced without further delay.

The service was contacted by a gentleman who had placed an order for two flower cards to be sent to family friends, at a cost of £49.99. Only some months later he discovered that the flower cards had not been received by the recipient. He had contacted the company who denied receiving the order. The order was paid for using "Postal Orders" made payable to the company. The gentleman had attempted to ascertain if the orders had been cashed but was informed by the Post office that it would not be possible to find out who had cashed the orders. Officers were able to establish that the company must have received the postal orders for them to be cashed. On contacting the company again they accepted that they must have received the payment but they had become detached from the actual order. The gentleman received a full refund and an apology for the inconvenience and embarrassment caused.

A consumer contracted with a company to undertake renovation and adaptations to his camper van. The work was carried out at a cost in excess of £6500. Unfortunately it was discovered that much of the work had not been done correctly or safely. In addition to an investigation into the working practices of the Company, Trading Standards assisted the consumer in taking out a small claims action in the County Court to recover damages for the defective work. At an early hearing it was agreed that the trader be allowed to effect remedial repairs to the vehicle and that an independent examination would be carried out on behalf of the Court to ensure the vehicle was now in a satisfactory and safe condition. The remedial work was carried out to a correct standard. The District Judge allowed the case to be withdrawn but awarded full costs of £987.21 to the consumer to cover Court fees, loss of earnings and the cost of the engineers reports.

A gentleman contacted Trading Standards for assistance regarding a garden shed he purchased through a local DIY store. The shed was purchased and erected in June/July 2014. It was discovered after assembly that shiplap panels used in the construction of the shed did not overlap leaving the inside exposed to the elements. It was agreed that the shed would be replaced, however the faulty shed was not collected and remained at the consumer's property. In November 2014, during a period of bad weather the felt roof was ripped off and damaged. The consumer who had heart problems had to get a ladder and reposition the pieces of felting back on the roof to prevent any further damage being done. Contact was made with the sellers of the shed who through the erectors advised that they could not be held liable for the damage that was caused by bad weather conditions. Officers became involved in February when a stalemate had been reached with both local retailer and installer refusing to accept responsibility. It was clear that the shed supplied was not of satisfactory quality and not fit for its purpose. Officers contacted the sellers and discussed the law in relation to satisfactory quality and fitness for purpose. Following these discussions it was agreed that the faulty shed would be removed, the felting would be replaced and compensation should be given for the inconvenience and distress caused. The matter was resolved to the gentleman's satisfaction.

7. EQUALITIES IMPLICATIONS

- 7.1 Consumer advice is provided to members of the community in the language and format of their choice in line with the Council's Strategic Equality Objective 4: Communications Access.
- 7.2 This report is for information purposes only, so the Council's Equalities Impact Assessment process does not need to be applied.

8. FINANCIAL IMPLICATIONS

- 8.1 Activity is managed within existing budgets.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no personnel implications.

10. CONSULTATIONS

- 10.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report.

11. RECOMMENDATIONS

- 11.1 Members are requested to note the report.

12. REASONS FOR RECOMMENDATIONS

- 12.1 To keep members informed of the type and level of complaint activity within the county borough and the assistance provided by the Consumer Advice service.

13. STATUTORY POWER

- 13.1 Trading Standards enforce a wide range of legislation relating to consumer complaints that require mediation; intervention and can result in more formal actions in the Civil and Criminal courts.

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Background Papers: None