



National Audit Office

**REPORT BY THE
COMPTROLLER AND
AUDITOR GENERAL**

**HC 1087
SESSION 2010–2012**

15 JUNE 2011

**Department for Business, Innovation and Skills, the Office
of Fair Trading and Local Authority Trading Standards Services**

Protecting consumers – the system
for enforcing consumer law

Our vision is to help the nation spend wisely.

We apply the unique perspective of public audit to help Parliament and government drive lasting improvement in public services.

The National Audit Office scrutinises public spending on behalf of Parliament. The Comptroller and Auditor General, Amyas Morse, is an Officer of the House of Commons. He is the head of the NAO, which employs some 880 staff. He and the NAO are totally independent of government. He certifies the accounts of all government departments and a wide range of other public sector bodies; and he has statutory authority to report to Parliament on the economy, efficiency and effectiveness with which departments and other bodies have used their resources. Our work led to savings and other efficiency gains worth more than £1 billion in 2010-11.



National Audit Office

**Department for Business, Innovation and Skills, the Office
of Fair Trading and Local Authority Trading Standards Services**

Protecting consumers – the system for enforcing consumer law

Ordered by the House of Commons
to be printed on 13 June 2011

Report by the Comptroller and Auditor General

HC 1087 Session 2010–2012
15 June 2011

London: The Stationery Office
£15.50

This report has been
prepared under Section 6
of the National Audit Act
1983 for presentation to
the House of Commons
in accordance with
Section 9 of the Act.

Amyas Morse
Comptroller and
Auditor General

National Audit Office

9 June 2011

This report considers the effectiveness of the arrangements to enforce consumer law. It does not evaluate the performance of individual enforcement bodies.

© National Audit Office 2011

The text of this document may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as National Audit Office copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Contents

Key Facts **4**

Summary **5**

Part One

The enforcement system **13**

Part Two

Identifying detriment **16**

Part Three

Coordinating enforcement **22**

Part Four

Delivery efficiency **28**

Part Five

Evaluating outcomes **35**

Appendix One

Methodology **41**

The National Audit Office study team consisted of:

Rachel Balchin, Charlie Gluckman, Charles Nancarrow, Ivan O'Brien, Alex Quick and Vanessa Todman under the direction of Alex Scharaschkin.

This report can be found on the National Audit Office website at www.nao.org.uk/consumer-protection-2011

For further information about the National Audit Office please contact:

National Audit Office
Press Office
157-197 Buckingham Palace Road
Victoria
London
SW1W 9SP

Tel: 020 7798 7400

Email: enquiries@nao.gsi.gov.uk

Website: www.nao.org.uk

Twitter: @NAOorguk

Key facts

£6.6bn

estimated annual
consumer detriment
from unfair trading

£4.8bn

estimated minimum
annual cost of detriment
occurring across local
authority boundaries

£247m

The cost of consumer
law enforcement in
2009-10

78%

of consumers in the
UK feel adequately
protected by consumer
protection arrangements

86 per cent of funding for enforcement is controlled by local authorities

**£240,000 –
£6,000,000** range of annual budgets for Trading Standards Services

45,200 average number of people per Trading Standards Officer in the
United Kingdom

£200,000 potential cost of a large and complex cross-border case

8 Regional Intelligence Officers

£6:£1 ratio of benefit to cost from Trading Standards Services fair
trading work

£42 million benefit to consumers from the Office of Fair Trading consumer
protection enforcement work

197 Trading Standards Services

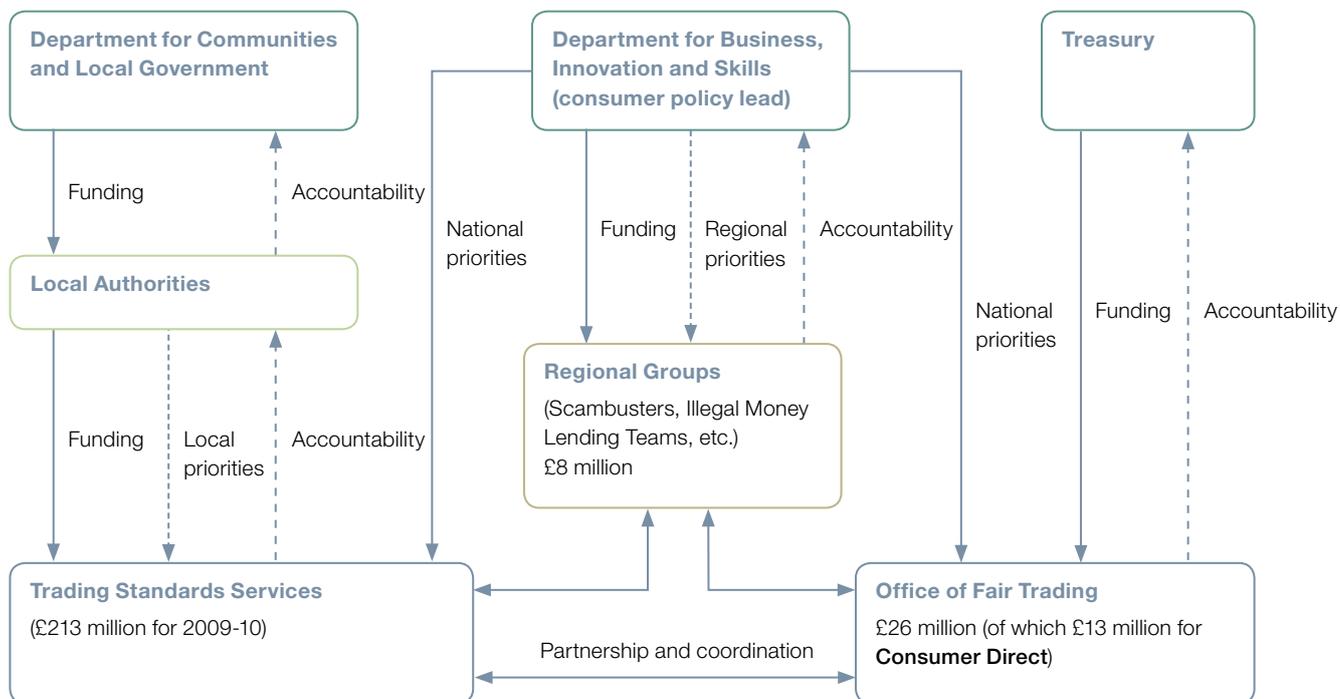
Summary

1 Consumer detriment occurs when a customer is accidentally or deliberately treated unfairly by a business. Detriment can be caused by activities ranging from unfair commercial practices, such as pressure selling, to scams where criminals operate behind the appearance of a legitimate business. The Government estimates the cost to those affected and the wider economy to be at least £6.6 billion annually. Detriment can undermine consumer confidence and adversely affect economic growth.

2 The responsibility for protecting consumers from detriment is spread across a large number of bodies in both central and local government. The Department for Business, Innovation and Skills (The Department) has overall responsibility for consumer policy. The majority of law enforcement is carried out by Local Authority Trading Standards Services, which received 86 per cent (£213 million) of the overall funding of £247 million for enforcement bodies in 2009-10, the latest year for which complete cost data is available (**Figure 1** overleaf). The Office of Fair Trading has responsibility for enforcing certain consumer laws at the national level.

3 There are also other bodies with some consumer protection responsibilities, such as the Food Standards Agency, and some sectors of the economy, such as financial services, have specialist regulators with consumer protection responsibilities. These are outside the scope of this report, as are the other regulatory activities of Trading Standards Services, such as work to improve regulation and encourage growth, and other functions, such as work on animal health and food standards.

Figure 1
The Landscape for Consumer Law Enforcement



NOTES

- 1 Total expenditure for Trading Standards Services covers all consumer activities. Fair trading enforcement costs are not reported separately, but the Department estimates these to be less than 50 per cent of the total.
- 2 The Office of Fair Trading has not provided details of its expenditure on consumer enforcement work. The Department estimates that this costs in excess of £13 million per annum.
- 3 The Local Better Regulation Office, although not included in the diagram above, has a responsibility to set National Enforcement Priorities.

Source: National Audit Office

4 Detriment can be localised, occurring within the boundaries of one local authority, or it can be cross-border, affecting consumers within several different, or indeed all, authorities. **Figure 2** gives an example of both local and cross-border detriment. Addressing detriment which is purely local in nature is the responsibility of individual local authorities and is not covered in this report. Cross-border detriment may be tackled by any of the enforcement bodies within the system: Trading Standards Services; the Department for Business, Innovation and Skills' regional projects; or, the Office of Fair Trading.

5 This report reviews how well the enforcement system as a whole operates to protect consumers. It focuses on the bodies that constitute the core system of consumer protection, as outlined in Figure 1, but it is not an assessment of the performance of the separate organisations within the system. This is because the various enforcement bodies are mutually inter-dependent. For example, enforcement weaknesses in a particular geographical area could allow rogue traders to operate out of that area and cause detriment more widely, thereby undermining the performance of the system as a whole. We have, therefore, assessed the cost-effectiveness of the system as a whole by examining whether system resources are used efficiently and targeted towards high risk areas where consumers are more likely to suffer greater detriment.

Figure 2

Examples of different types of consumer detriment

Weights and measures error (responsibility of local authority)

A trader sells a product by weight. The scales used to weigh the goods are faulty and consumers receive less than they paid for. This is the responsibility of the local Trading Standards Service.

Doorstep crime (Cross-border detriment: may require regional or national action)

Itinerant traders target an area with a number of elderly, often vulnerable, individuals and put pressure on them to accept unnecessary building work, even accompanying them to their bank to ensure payment for non-existent or very shoddy work. The traders then disappear, usually to another local authority area, and cannot be traced. Such traders may make several hundred thousand pounds in a short period of time, and may pass the consumer's details on to other criminals, for targeting again at a later date.

Source: National Audit Office

Key findings

The need to work collaboratively

6 The cost of detriment that needs to be tackled at the regional and national level is not routinely measured, but the data available suggests that it is in excess of £4.8 billion. It arises from large scams and intellectual property crime where offences occur across local authority boundaries (**Figure 3**). Doorstep crime perpetrated by itinerant traders is also a significant cause of consumer detriment but there are no reliable figures available to estimate the impact of this on consumers.

7 Although much detriment occurs at the regional and national level, incentives are weighted in favour of tackling local priorities. Eighty-nine per cent of respondents to our survey of Trading Standards Services have formal reporting arrangements with their local authority and 86 per cent of funding for enforcement is controlled by local authorities. Incentives and responsibilities for cross-border working are weaker. There can be strong cost and risk disincentives, especially for small Trading Standards Services.

8 Central government funding of £34 million for tackling cross-border detriment and coordinating local enforcement action is relatively low compared to the scale of the problem. A substantial portion of the overall resources for regional and national enforcement action is provided by Trading Standards Services. Central government therefore has few levers to directly influence the delivery of policy objectives.

Figure 3
Major Forms of Detriment

Type of Detriment	Description	Estimated annual cost
Mass market scams	A misleading or deceptive business practice where a consumer receives an unsolicited contact (for example, by email, letter, phone or advertisement) with false promises designed to con them out of money	£3.5 billion
Intellectual property crime	The sale of counterfeit goods, usually to fund organised crime	£1.3 billion
Doorstep crime	A trader who pressurises or tricks a consumer, while in the consumer's home, into paying inflated sums for unnecessary, bogus or shoddy work	No reliable figures available

Source: Office of Fair Trading, Cabinet Office, Local Authority Coordinators of Regulatory Services

9 Despite the disincentives, we found that some larger Trading Standards Services do take on substantial cross-border cases, although there is a risk that the projected reductions in resourcing will reduce their willingness to do so.

The Department estimates that annual funding for Trading Standards Services will reduce from its current level of £213 million to about £140 to £170 million by 2014, and some larger Trading Standards Services are likely to lose substantial resources. There is already considerable variation in the capacity and resourcing of Trading Standards Services, with some services having as few as two members of staff and others employing over eighty, but there is no required minimum standard of service in place to guard against weaknesses in coverage.

Measures to strengthen cross-border working

10 The Department has recognised the disincentives to address cross-border detriment and the variability in Trading Standards Services capacity, and has established regional projects to address potential enforcement gaps, but longer-term arrangements are currently inadequate. We found that the regional projects have brought additional capability to the system for tackling cross-border issues. However, three of the eleven Trading Standards Service regions have discontinued their regional enforcement teams, with no alternative plans in place for replacing this overall capability.

11 The Office of Fair Trading has introduced a database to help identify cross-border detriment, but more needs to be done to realise its full potential, and an alternative intelligence database has been set up by one Trading Standards Service region. The National Intelligence Management Database, introduced by the Office of Fair Trading in March 2010, allows data on potential detriment to be recorded and interrogated by enforcement professionals across the whole system. However, to date, only 50 per cent of the 197 Trading Standards Services across England have committed to using the Office of Fair Trading's database with 30 Trading Standards Services committed to using the alternative database.

12 The Department established a regional intelligence network to embed the use of intelligence and risk assessment within enforcement work, although there is no longer any central funding to sustain it. Good regional intelligence is vital for ensuring that cross-border enforcement work can be focused on the areas of greatest risk. However, three of the eleven Regional Intelligence Officers have been disbanded, and there are only short-term arrangements in place for most of the remainder.

13 The framework for prioritising and allocating cases, introduced by the Office of Fair Trading, is not being applied as intended. The Office of Fair Trading adapted the National Intelligence Model, a Police system, to coordinate case allocation. The Model has brought consistency in determining which type of cases should be resourced and demonstrates learning between different enforcement agencies. However, formal structures for supporting the Model are not fully in place in seven of the eleven regions and there is still a lack of clarity over who should be taking cases forward. This has resulted in the Office of Fair Trading being able to take enforcement action on only two of the fifteen cases referred on by Trading Standards Services over the last two years. In addition, 41 per cent of respondents to our survey of Trading Standards Services felt that the referral system between Trading Standards Services and the Office of Fair Trading was not effective.

Evaluation

14 The Office of Fair Trading has led the way in evaluating the impact of enforcement work. This is a difficult task because of the wide range of enforcement activities and the difficulty of gathering data. The methodology that the Office of Fair Trading has developed is being applied by about a fifth of Trading Standards Services and some of the regional projects, and demonstrated a benefit to cost ratio of about 6:1 for fair trading work conducted by Trading Standards Services in 2009. The methodology presents some challenges and further development is required.

15 Data on running costs and activity to assess efficiency is insufficient. The Chartered Institute of Public Finance and Accountancy collects annual returns from Trading Standards Services on costs and activity. Eighty-six per cent of Trading Standards Services returned information in 2008-09, but much of this was incomplete, and the reporting of costs was inconsistent. Our indicative analysis suggested that similarly-sized Trading Standards Services are operating at similar levels of efficiency, although larger services have more scope to deliver economies of scale.

16 It is impossible for policymakers to ensure that resources are being prioritised appropriately to address the areas of greatest risk to consumers because analyses of levels of consumer detriment are incomplete. Our analyses of the National Intelligence Management Database, and discussions with Trading Standards Services consistently identified doorstep crime as a major source of detriment, but there is no reliable estimate of its total cost.

Conclusion on value for money

17 The system for enforcing consumer law is not delivering value for money because the architecture in place to bring together what is a very fragmented delivery landscape is not functioning properly, and the Department has few levers to directly influence policy delivery. Moreover, the overall scale of consumer detriment, particularly that caused by doorstep crime, is not evaluated, meaning that resources cannot be allocated efficiently. Addressing the £4.8 billion of cross-border detriment effectively requires good coordination, the use of intelligence and risk assessment to direct resources, and evaluation of impact and outcomes. Some measures to achieve these are becoming embedded in the system, but their application is inconsistent, and in some cases short-term and piecemeal. Furthermore, funding for regional and national projects is low in the context of the size of the detriment being addressed. More can therefore be done to secure the overall cost-effectiveness of the system.

Recommendations

18 The Department for Business, Innovation and Skills is currently revising the organisational arrangements for consumer protection. We have therefore focused our recommendations on aspects of the system which need to be improved to ensure value for money, rather than making recommendations for specific organisations.

- a** **Accountability arrangements for achieving national priorities are unclear, demonstrated by poor performance reporting at the system level.** Where enforcement activities are local in nature, for example, preventing underage alcohol sales, it is right that these are subject to local accountability arrangements. However, enforcement work that is directed towards meeting national policy objectives should be supported by effective reporting and accountability arrangements. The Department must ensure it has sufficient cost and performance information to discharge its responsibilities for policy accountability and ensuring that the delivery model it has chosen is delivering value for money.
- b** **The governance arrangements for the consumer law enforcement system are not clear, as demonstrated by the development of two separate and incompatible national intelligence databases, and the Department has few direct levers to influence policy delivery.** The Department must ensure that the responsibilities of all bodies within the consumer law enforcement system are clear, and that there is a coherent overarching governance framework. There should be a common set of principles for all national, regional, and local bodies. The framework should also take account of the other responsibilities that the various bodies have, for example, the local priorities of Trading Standards Services.

- c** **The Department established an intelligence network, but it is at risk and three regions have not maintained a specific regional intelligence capacity.** Given the importance of intelligence in focusing activity on the greatest threats to consumers, the Department should set out how it will ensure that enforcement activity is risk-based in the absence of an intelligence network.
- d** **The National Intelligence Model has improved the coordination of activity across the enforcement system, but it does not specify which bodies have responsibility for taking on cross-border cases, and therefore does not ensure that all cases are accounted for.** The Department should ensure that coordination arrangements for system-wide case management specify who should take cases of national and regional importance.
- e** **Consumer Direct is a highly regarded source of data on the prevalence and nature of consumer detriment.** The Department should ensure that any reorganisation of the consumer complaints service maintains or enhances its value as an intelligence database, by preserving the current level of access given to enforcement professionals.
- f** **The level of spend on consumer law enforcement appears low compared to the estimates of detriment suffered by consumers, and there is no minimum standard to prevent enforcement gaps appearing.** The Department should establish what level of spend is appropriate for consumers to be adequately protected.

Part One

The enforcement system

1.1 This part examines the nature and scale of consumer detriment and the system for enforcing consumer protection laws, and sets out the criteria we have used to evaluate the enforcement system. It shows that:

- consumer detriment is not measured regularly or consistently, but available data shows that the major forms of detriment occur across local authority boundaries;
- the delivery landscape for enforcing consumer law is very fragmented. Government bodies need to work in a coherent and integrated fashion if detriment is to be successfully tackled at the local, regional and national levels; and
- the majority of funding for the system is directed through local authorities with about 14 per cent of the total from central government.

The nature of detriment

1.2 Consumer detriment occurs in any instance where a customer suffers as a result of being accidentally or deliberately treated unfairly by a trader. Detriment can be financial loss, but can also encompass a wide range of other factors such as inconvenience or stress. The types of activity which can lead to a consumer experiencing detriment are wide ranging, from low impact premise-based problems, for example, faulty goods, to national organised crime, such as mass-market scams and e-crime.

1.3 Various government bodies have attempted to quantify consumer detriment, but surveys are not done regularly and examine different issues, making analysis of the overall success of the system difficult. In 2008, the Office of Fair Trading estimated the overall cost in the UK economy of “revealed consumer detriment”, i.e. detriment of which consumers are aware, to be £6.6 billion. This arose from an estimated 26.5 million instances of consumer mistreatment within a 12-month period. The consumer body Consumer Focus estimated in 2009, that the annual cost of consumer detriment in Great Britain arising solely from unfair commercial practices (a narrower scope than the Office of Fair Trading’s research) was £3.3 billion.

Consumer protection enforcement bodies

1.4 A number of bodies across central and local government have responsibility for enforcing consumer law. The Department for Business, Innovation and Skills has overall policy responsibility for consumer issues. The Office of Fair Trading does not have any policy responsibility, but is the national consumer protection body responsible for enforcement at the national level. The majority of consumer law enforcement is carried out in Great Britain by the 197 Local Authority Trading Standards Services (Trading Standards Services), which are funded mainly via local authorities. There are also a number of regional consumer enforcement projects, funded by the Department, which we discuss further in Part Three. These arrangements are relatively unique in Europe, where consumer protection tends to be organised more centrally.

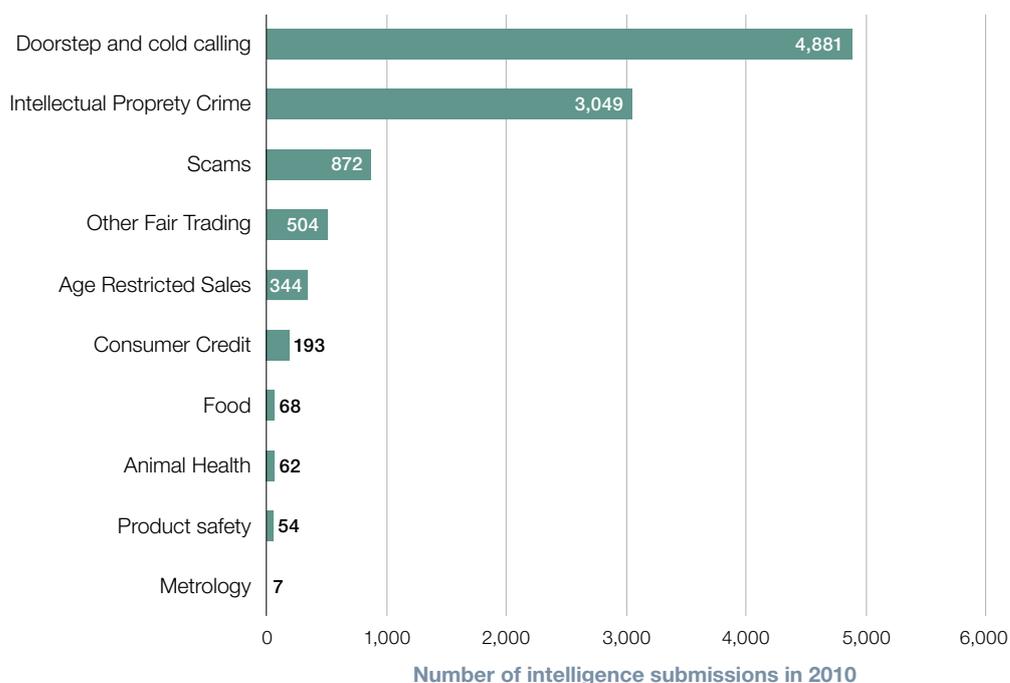
1.5 Where detriment crosses local authority borders, the various consumer enforcement bodies need to operate as an integrated and coherent system. Any weaknesses in coverage could be exploited by rogue traders who, aware that action is unlikely to be taken against them by one local authority, may operate out of that area whilst causing detriment more widely.

Cross-border detriment

1.6 To estimate the prevalence and scale of cross-border detriment, we analysed data from the National Intelligence Management Database, within which Trading Standards officers record information on potential threats. We found that the major cross-border threats in 2010 were doorstep and cold calling crime, intellectual property crime (counterfeiting), and scams (**Figure 4**). Government estimates on the level of detriment associated with each of these threats suggest an indicative figure for the total annual cost to consumers and the economy in excess of £4.8 billion (see Figure 3 in the Summary). This sum is calculated using different sources and information from different time periods, and does not cover doorstep or cold calling crime because no reliable figures are available, so it should be seen as illustrative only. Nevertheless, it shows that a significant proportion of overall consumer detriment by value arises from cross-border activity.

1.7 Central government currently provides around £34 million of funding (14 per cent of the total system resources) towards tackling cross-border detriment and coordinating local enforcement activity.

Figure 4
Intelligence Submissions recorded in 2010



Source: National Audit Office

Context of this study

1.8 To address the challenges inherent in tackling the £4.8 billion of estimated cross-border consumer detriment, enforcement bodies have put in place systems and protocols aimed at supporting cross-border working. This report examines the effectiveness of those arrangements, namely:

- whether information and intelligence systems are aligned and utilised to identify the areas of greatest threat to consumers;
- whether cases are allocated to the most appropriate enforcement body;
- the extent to which delivery bodies are operating efficiently and providing a universal minimum standard of protection; and
- whether costs and outcomes are appropriately evaluated to ensure accountability at the different levels of government.

1.9 The report does not examine the performance of individual Trading Standards Services, or how local problems are tackled. These are matters for local rather than Parliamentary accountability.

Part Two

Identifying detriment

2.1 This part examines the adequacy of systems to gather and share data on consumer detriment, and the analytical capability within the system to inform assessments of risks to consumers. It shows that:

- data from consumer complaints is widely available and used well;
- data from enforcement officers is being collected, but is not yet used widely or consistently at a system level; and
- plans for maintaining a capability to analyse the greatest risk to consumers are insufficient.

The importance of intelligence-led enforcement

2.2 To ensure that enforcement work is focused on areas of high risk to consumers, the enforcement system must have overarching risk assessment processes which are underpinned by robust and reliable data on the prevalence and nature of consumer detriment. **Figure 5** gives an example of the value of intelligence in enforcement work.

Gathering data on consumer problems

2.3 Consumer complaints data is a very useful source of information on the prevalence and nature of detriment which is visible to consumers, such as paying for an item that is never delivered. In 2004, the Department, working with Trading Standards Services, launched Consumer Direct, a telephone complaints and consumer advice service. The Service was subsequently taken over by the Office of Fair Trading in 2006. Prior to 2004, individual Trading Standards Services dealt with complaints and queries directly and all data was held locally, meaning that it could not be aggregated and was, therefore, of limited use for intelligence purposes. The Consumer Direct database brings consumer complaints information received by Consumer Direct into a single database which can be interrogated by a wide range of users.

Figure 5**The use of intelligence to inform enforcement action: Illegal tobacco in the South West**

Until 2010, Trading Standards enforcement work on illegal tobacco in the South West was generally guided by consumer complaints data and the results of test purchasing exercises. This work suggested that illegal tobacco was not a major problem for the area. However, compiling information from several other sources in 2010 indicated that there was an enforcement gap.

Information was collated from sources including:

- all 15 Trading Standards Services in the South West;
- the five Police Forces in the region;
- Her Majesty's Revenue and Customs;
- the United Kingdom Border Agency; and
- Consumer Direct.

This work identified that 442 million illegal cigarettes and 347,000 kilograms of hand-rolling tobacco are purchased in the South West each year with a total retail value of over £216 million per annum. It also linked over 300 individuals to the illegal tobacco trade and generated 'problem profiles' to help target multi-agency enforcement work.

NOTE

1 Intelligence analysis funded by the Department of Health as part of the Tackling Illegal Tobacco Strategy.

Source: National Audit Office

2.4 We found that the Consumer Direct database is very highly regarded as a source of data by all the Trading Standards Services that we visited, and by other enforcement bodies such as the Scambusters teams. This view is supported by our own testing of the data at Trading Standards Services (see paragraph 4.11). Sixty per cent of Trading Standards Services that responded to our survey stated that it was the source of intelligence they used most frequently, and all but four Trading Standards Services have access to the database. The data is used to inform risk assessments and planning at the regional and national level, as well as by other consumer bodies such as Consumer Focus, to inform their consumer advocacy work.

2.5 There is, however, a relatively low level of public awareness of Consumer Direct. Awareness is important because it helps drive the number of complaints which, in turn, drives the completeness of the dataset. Only 5 per cent of respondents to our survey of consumers stated that they would contact Consumer Direct if they experienced a serious problem with something they had bought (see **Figure 6**). This is somewhat mitigated by the finding that 35 per cent of the same sample would contact Trading Standards if they experienced a problem where, in 97 per cent of cases, they would be signposted to Consumer Direct.

Other data sources

2.6 The other main source of data on consumer detriment is from enforcement professionals, including agencies such as the Police. This data can identify detriment that consumers are not necessarily aware of, such as counterfeit goods, and detriment that is unlikely to be complained about, for example, the use of illegal money lenders. It is therefore essential for completeness.

2.7 During our field visits we found that all Trading Standards Services record data locally on potential threats to consumers. However, they use a number of different, incompatible systems to do this, meaning that data held on them cannot be easily aggregated and used to identify cross-border threats.

Figure 6
Sources of consumer redress

Source of redress	Percentage of consumers stating they would contact this organisation
Trading Standards	35
Citizen's Advice Bureau	26
Consumer Direct	5
Local Authority	3
The Police	3
Consumer Focus	1
Other	37
Don't know	20

NOTE

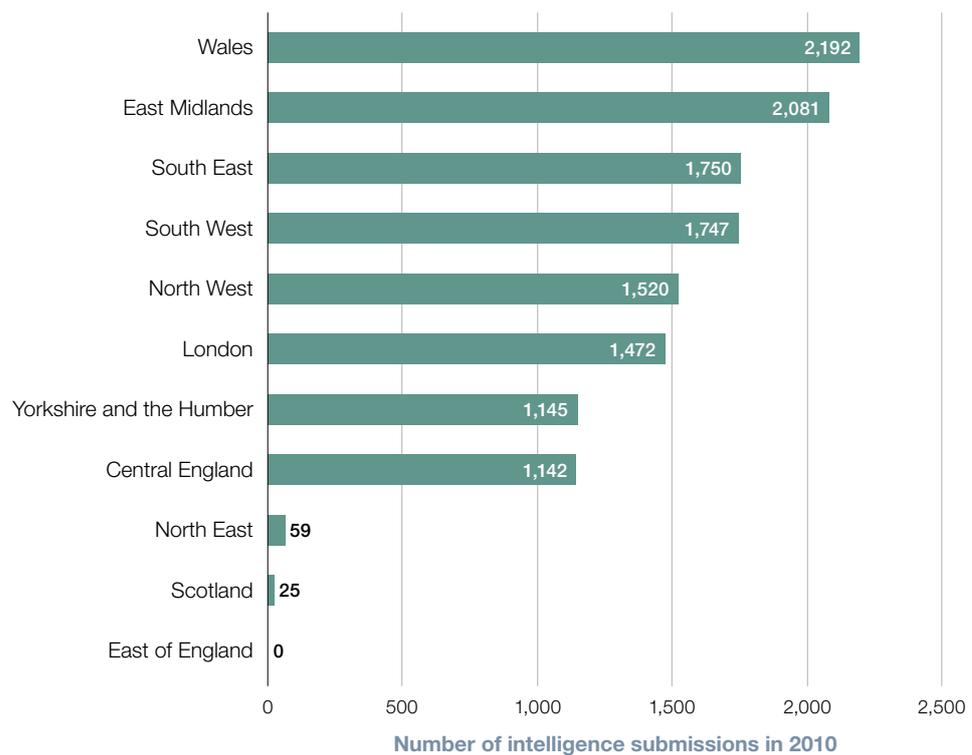
1 Prompted responses to the question: 'If you experience a serious problem with something you have bought and are unable to resolve it with the trader, where would you go for help?'

Source: Ipsos MORI. 'National Audit Office Consumer Perceptions Survey', February 2011, 1,002 respondents

2.8 To address the problem of locally held data, the Office of Fair Trading introduced the National Intelligence Management Database in March 2010. The database is an adapted version of an off-the-shelf intelligence product procured from the software company Memex. It is supported by a set of working protocols which are compliant with the National Intelligence Model, the intelligence system used by the majority of UK enforcement agencies to prioritise their workloads.

2.9 The roll-out of the database was delayed due to connectivity problems, and by May 2011, 98 individual services (50 per cent) had purchased a user license. The Office of Fair Trading has provided at least one user licence to each region to support them in using the system. **Figure 7** gives the number of intelligence logs (cases where detriment has occurred or there is a risk of it occurring) held on the system in 2010, including data previously held on regional systems. It shows that, while the system is becoming embedded in some regions, others are yet to make use of it.

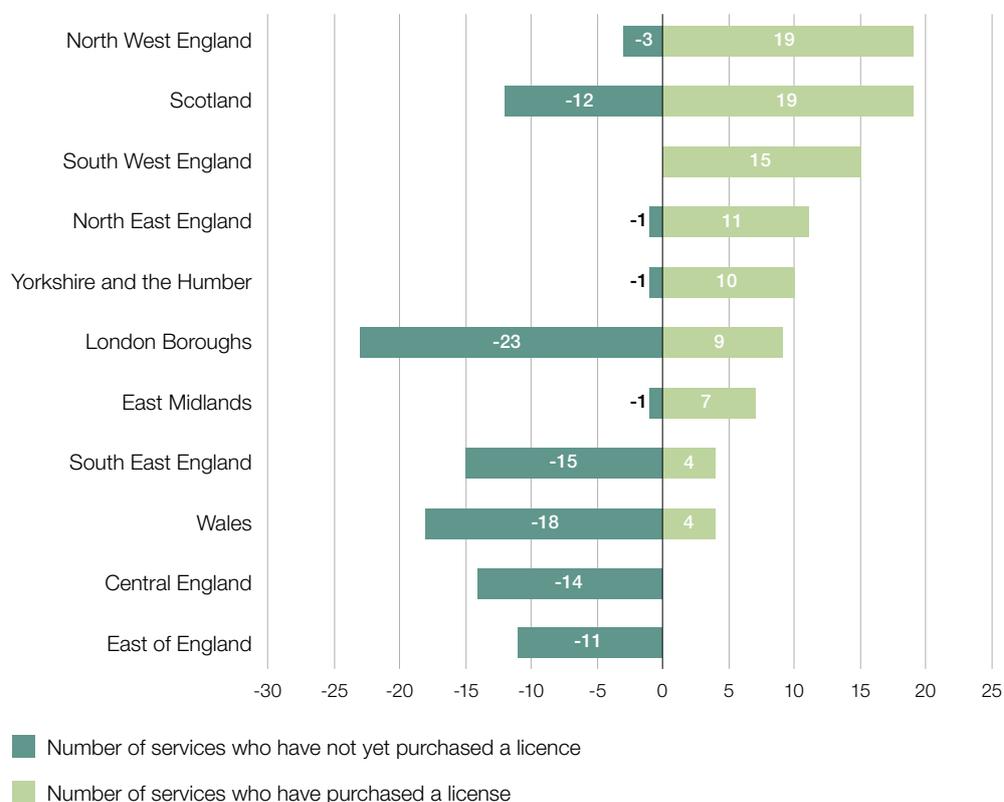
Figure 7
Number of intelligence logs per region in 2010



Source: National Audit Office

2.10 Figure 8 illustrates the take-up of the National Intelligence Database according to the Office of Fair Trading's records at May 2011. The East of England Trading Standards Association Ltd. has developed a second, bespoke intelligence database, as an alternative to the one procured by the Office of Fair Trading. Information provided by The East of England Trading Standards Association Ltd. indicates that 30 Trading Standards Services now subscribe to their system. These figures are not included in Figure 8. The chart shows differing levels of engagement with the intelligence systems across the regions.

Figure 8
National Intelligence Database Licenses



Source: National Audit Office

2.11 As well as indicating a lack of coordination across the system, the existence of two databases causes a duplication of effort for some intermediaries, such as Regional Intelligence Officers and the Department-funded Scambusters teams, who rely heavily on intelligence to drive their tasking and casework.

Analysing data to assess risk

2.12 Consumer complaints and intelligence logs do not in isolation provide an assessment of the threat to consumers. Raw data needs to be analysed so that it can be turned into intelligence which is capable of informing risk assessments.

2.13 We found a variety of practices and levels of engagement with intelligence within local enforcement bodies. Some of the Trading Standards Services we visited had little resource available to create intelligence and therefore focused on reactive work, whereas others relied on intelligence to prioritise local tasks and produced their own, internal intelligence products.

2.14 To build the analytical capability of the system, the Department established a regional intelligence network in 2006. This consisted of a designated Regional Intelligence Officer in each of the 11 Trading Standards Service regions to act as a single point of contact for sharing and disseminating intelligence. The network provides training to local Trading Standards Officers in applying the National Intelligence Model and produces in-depth analyses of risks and threats to aid enforcement work.

2.15 The Department's funding for the regional intelligence network ended in March 2009, and for the past two years, funding has come from a variety of other sources on a short-term, piecemeal basis. In some cases local authorities have joined forces to maintain the function and at least two regions have temporarily used funding intended for the Scambusters project sponsored by the Department to fund, or partially fund, the Regional Intelligence Officer capacity. Three Trading Standards Service regions have discontinued their funding for a regional intelligence capability and there is currently no long-term solution for sustaining the network elsewhere. As at April 2011, there are eight Regional Intelligence Officers in post, covering a total of more than 4,300 full-time equivalent Trading Standards staff in Britain.

Part Three

Coordinating enforcement

3.1 The action required to address the causes of detriment can be very varied, ranging from increased trader visits and inspections, to formal civil or criminal proceedings, and may be taken by any one of the many bodies within the enforcement system. To optimise the use of resources, enforcement activity needs to be prioritised and coordinated.

3.2 This part of the report examines the system-level incentives for coordination, and the tasking and coordination processes in place to ensure that enforcement is coherent and adequate. It shows that:

- the system incentives do not naturally support the coordination of national and local priorities;
- the Department has identified a number of enforcement gaps in the coverage of delivery bodies and has implemented specific projects to fill these; and
- the Office of Fair Trading has attempted to introduce a coordinated approach to enforcement, but this has not fully embedded within the system.

System incentives for coordinating national and local priorities

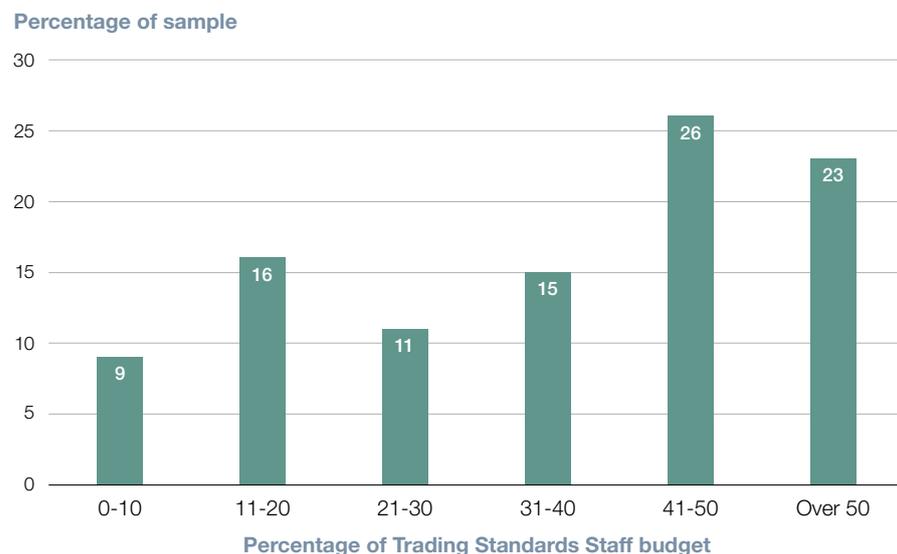
3.3 Trading Standards Services have strong incentives to deliver against local priorities with 86 per cent of funding for consumer law enforcement being utilised for Trading Standards' work and provided by local government. Our survey of Trading Standards Services found that only 9 per cent received more than 15 per cent of their annual budget from outside their local authority. We also found strong accountability arrangements on a local level, with 89 per cent of Trading Standards Services which responded to our survey stating that there are formal reporting procedures in place for Trading Standards Services within their local authority.

3.4 The incentives for individual Trading Standards Services to take on cross-border work are weak, in particular, where cases are large or complex, or where much of the detriment occurs outside of the immediate local area. The main disincentives are the cost of taking on such cases and the financial risk involved, which is borne by a single local authority, even though the detriment being tackled will be occurring more widely. Furthermore, due to the number of bodies who could potentially take on a case, for example, a particular Trading Standards Service, the Office of Fair Trading, or the Police, responsibility is less clear.

3.5 The level of resource required to investigate and prosecute cases involving cross-border or national issues varies widely. Much depends on the particular nature of the detriment being investigated, and costs can spiral as more information reveals the full extent of a problem. There is, therefore, no typical figure for the cost of a case. During our field visits we analysed the cross-border work undertaken by each Trading Standards Service and found a range of costs from around £30,000, for a more straightforward cross-border case, to in excess of £200,000 where services have taken on larger cases that involve itinerant traders and recurring instances of doorstep crime. **Figure 9** illustrates the impact a case costing £200,000 would have in terms of staff budget for the Trading Standards Services for whom we have cost data. It is illustrative only, but demonstrates that around half of Trading Standards Services would need to commit over 40 per cent of their entire annual staff budget to such a case, while 9 per cent of services would need less than 10 per cent of their overall budget.

3.6 In addition to the potentially high and unpredictable cost of a large case, there is also the financial risk associated with losing a case. Quantifying this is difficult, but the exposure is potentially up to several million pounds at local authority level. Furthermore, the Office of Fair Trading estimates that it is exposed to up to £10 million of financial risk from its consumer enforcement activities at any one time.

Figure 9
Impact of a large cross-border case on resourcing



NOTE

¹ Compiled from a sample of 162 Trading Standards Services. Cost of large cross-border case has been assumed to be £200,000 for illustrative purposes.

Source: National Audit Office

3.7 Despite the weaker incentives to prioritise cross-border work, our field visits found that the larger Trading Standards Services do pursue cases of regional or national importance even when the detriment is not restricted to their area and it is not their sole responsibility to take the case forward. However, the appetite of Trading Standards Services to pursue such cases is dependent on their local authority being prepared to commit funding to actions which deliver benefits to other local authority areas. The larger Trading Standards Services are likely to experience substantial resource reductions in the next few years and there is the risk that, in the absence of any formal protocols to undertake large cross-border cases, no enforcement body will be sufficiently incentivised to tackle such detriment.

Measures to ensure that the coverage of the system is complete

3.8 The Department has recognised that the delivery model for enforcing consumer law has disincentives for addressing cross-border detriment. To counteract these, it has established several regional projects aimed at addressing potential enforcement gaps that may arise (**Figure 10**).

Scambusters

3.9 The Department established the Scambusters teams in 2004 to work with local authorities in targeting complex scams and rogue traders. There were, until March 2011, nine different teams: one in Scotland and Wales respectively and seven in the English Regions. The Scambusters teams are relatively small compared to the majority of Trading Standards Services, with a typical staff of three to four investigators.

Figure 10
The Department's regional projects

Project	Aim	Cost
Scambusters	Targeting the hardest to tackle scams and rogue traders	£2.7 million per annum until March 2012
Illegal Money Lending	Curbing unsustainable lending to protect consumers from financial malpractice	£5.2 million per annum until March 2012
Ports	Product safety sampling and testing of imported goods at ports of entry, rather than at the local level	£150,000 in 2010-11
Fighting Fund	A fund for supporting Trading Standards enforcement cases covering rogue traders and consumer scams	£250,000 from 1 April 2010
E-Crime	Enhancing the system capability to tackle online protection issues	£1.3 million in 2010-11, split between Trading Standards Services and the Office of Fair Trading

Source: National Audit Office

3.10 We found that Scambusters have taken on purely cross-border work that would have been less likely to be undertaken by the Trading Standards Services who referred the cases. Ninety-five per cent of the respondents to our survey of Trading Standards Services had referred cases on to regional teams, and 83 per cent thought that referral protocols in place between Trading Standards Services and regional teams were very or fairly effective. Furthermore, Scambusters teams were the second most used source of specialist enforcement support by Trading Standards Services (51 per cent of those seeking support), after the Police (47 per cent).

3.11 There are, however, barriers to the projects functioning optimally. Scambusters team members cannot carry out enforcement work within a local authority without specific authorisation to do so, unless accompanied by a local Trading Standards Officer. On our field visits we found a number of instances where local authorities have not allowed such authorisations. Scambusters funding is also short term, and is currently only guaranteed until March 2012. As a typical case lasts longer than 12 months, there is a risk that new enforcement cases will not be taken on by teams for fear of being left unfinished. Furthermore, from March 2011, the Super-Region, of Trading Standards Services in the south east of England, covering 62 authorities, will no longer have a Scambusters team in place and there are no current plans for alternative arrangements. There is a risk that the enforcement gaps that these projects initially sought to address will reappear.

Illegal Money Lending

3.12 The Illegal Money Lending projects are designed to address the specific problem of unlicensed and unlawful money lenders. Detriment arising from this problem was particularly difficult to identify because complaints from victims are rare. Since the project was introduced, 500 illegal money lenders have been arrested and over £18 million of direct financial savings have been made for consumers. The recent economic conditions have, however, seen a rise in this overall level of detriment and the Department's most recent estimate of annual detriment associated with this type of crime is £373 million.¹

Other projects

3.13 In 2009, research from the Local Better Regulation Office found that every £1 spent on local regulation of goods entering ports, realised a benefit to the UK of around £35. The Department subsequently established a fund specifically for this purpose. The fighting fund and the E-crime project have only recently been launched and it is too early to evaluate them.

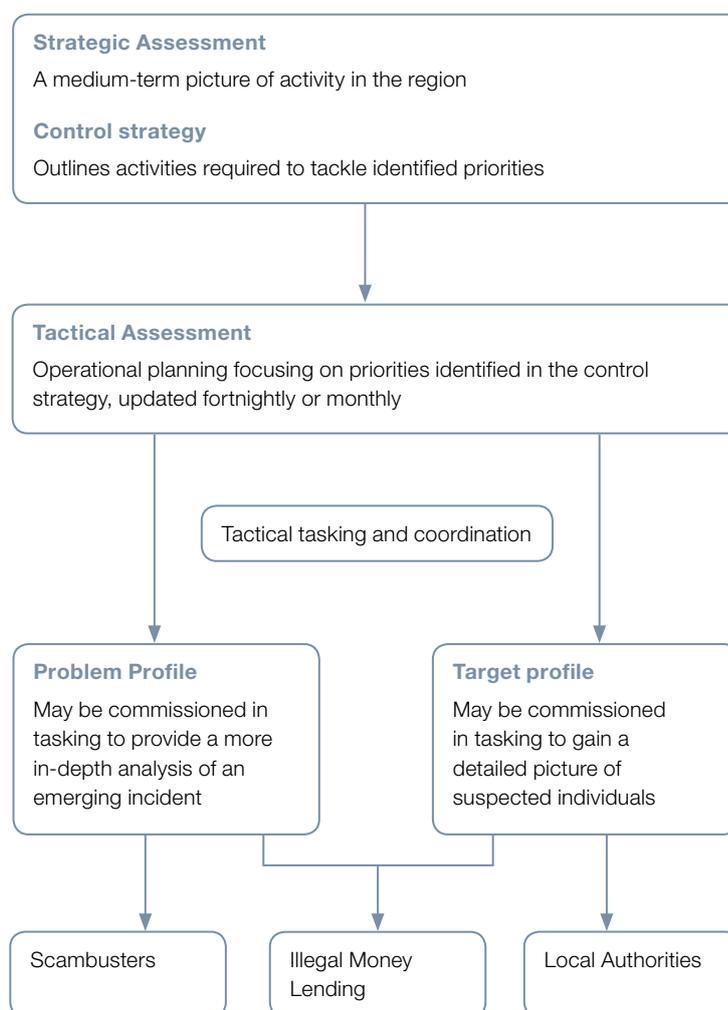
¹ Department for Business, Innovation and Skills, *Interim Evaluation of the National Illegal Money Lending Projects* (October 2010)

Measures to coordinate the enforcement activities of the different bodies

3.14 To prioritise and allocate enforcement activity across the system, the Office of Fair Trading has adapted the approach used by the majority of UK enforcement agencies (the National Intelligence Model), and attempted to implement it within all UK consumer law enforcement bodies. The Model provides a framework for using intelligence to identify strategically important issues and subsequently targeting resources towards high risk areas. **Figure 11** below illustrates the process.

Figure 11

The National Intelligence Model in consumer law enforcement



NOTE

1 Adapted from Local Authority Coordinators of Regulatory Services documents.

Source: National Audit Office

3.15 For the Model to work well, assessments of the threats to UK consumers should be produced annually at national, regional and local levels setting the strategic priorities for enforcement at all levels. The Model needs to be underpinned by a tasking process that allocates cases to the appropriate authority, based on the fit with strategic need, individual organisational capability and available capacity.

3.16 We found that the National Intelligence Model is being used by the Office of Fair Trading and at the regional level. The Trading Standards Policy Forum coordinates the production of an annual National Threat Assessment which sets out the key threats facing UK consumers. All the Regional Intelligence Officers have produced threat assessments for their regions which set out areas of strategic priority.

3.17 However, implementation of the National Intelligence Model is not well established. Although a formal structure is in place in some of the regions, at least four of the eleven have no formal task allocation process in place and rely on informal notifications from local Heads of Service to allocate cases. Furthermore, two regions no longer maintain any dedicated analytical capability and a further one is soon to end this post. This means that the process of task prioritisation does not comply with the Model and is not as intelligence-led as was originally intended.

3.18 While the model allows strategic priorities to be set, and determines at what level cases should be actioned, it does not set criteria which clearly outline responsibility for those cases which are not obviously a matter for local enforcement. This creates the risk that some cases will fall between different enforcement bodies, with no-one taking responsibility. This is illustrated by our finding that of the fifteen referrals the Office of Fair Trading received from Trading Standards Services between July 2009 and January 2011, only two fulfilled the Office of Fair Trading's prioritisation criteria. This suggests a lack of clarity in the referral process. We could find no protocols for ensuring that any cases rejected by the Office of Fair Trading are properly followed up by another body. Furthermore, 41 per cent of our survey respondents found that the referral system between Trading Standards Services and the Office of Fair Trading is not very, or not at all, effective.

Part Four

Delivery efficiency

4.1 This part examines whether enforcement is being delivered efficiently. Our analysis is based on both a comparison of the relative costs of enforcement activity, and the level of service provided to consumers, by each Trading Standards Service.

4.2 It finds that:

- as far as can be determined from the available data, there is relatively little variation in efficiency between similarly-sized Trading Standards Services;
- the system provides a consistent level of protection for consumers who have straightforward complaints, although the coverage for more complex complaints is varied; and
- the operational approach of enforcement bodies reflects a wide variation in local issues and characteristics, but there are no minimum standards to mitigate the risk of such variation resulting in low levels of protection for consumers in some areas.

Cost and efficiency variations

Cost variations

4.3 As **Figure 12** shows, there are regional variations in the costs and resources allocated to Trading Standards Services. The highest cost per head of population is £6.42 (Wales), and the lowest is £3.18 (London) and there is a significantly lower number of residents per Trading Standards Officer in Scotland and Wales, whilst London has the most residents per officer by a substantial margin.

Figure 12
Regional Cost and Resource Variations in Trading Standards

Region	Gross cost of Services in region (millions)	Population (millions)	Average cost per head (£)	Trading Standards Officers	Population per Trading Standards Officer (000)
Wales	19.2	2.3	6.4	85	28.5
West Midlands	27.3	4.1	5.1	106	37.6
Scotland	24.1	5.0	4.7	179	26.5
East Midlands	18.2	4.8	4.1	100	50.0
North East England	10.3	2.3	4.0	62	41.0
South West England	20.6	4.9	3.9	108	50.4
North West England	25.1	5.6	3.6	142	40.0
South East England	30.3	6.6	3.6	144	50.2
East of England	19.9	5.6	3.5	121	45.4
Yorkshire & Humber	17.5	4.3	3.4	72	57.2
London	24.2	7.6	3.2	122	70.2
National	236.7	53.1¹	4.1	1,241	45.2

NOTE

1 Represents total population as per CIPFA returns, not total UK population.

Source: National Audit Office, from Chartered Institute of Public Finance and Accountability Trading Standards statistics, 2008-09. The Chartered Institute of Public Finance and Accountancy collects annual returns from Trading Standards on costs and activity

4.4 Local Trading Standards Services vary significantly in capacity and the range in annual budget is from around £240,000 to over £6 million. The mean cost of a service is £1.3 million. **Figure 13** illustrates the variation in level of resourcing by local authority, although the data is not complete so some sections are blank.

Figure 13
Trading Standards variation in cost per head

Cost per head

- More than £5
- £4 to £5
- £3 to £4
- Less than £3
- Data missing



NOTE

1 Compiled from 2008-09 CIPFA stats return.

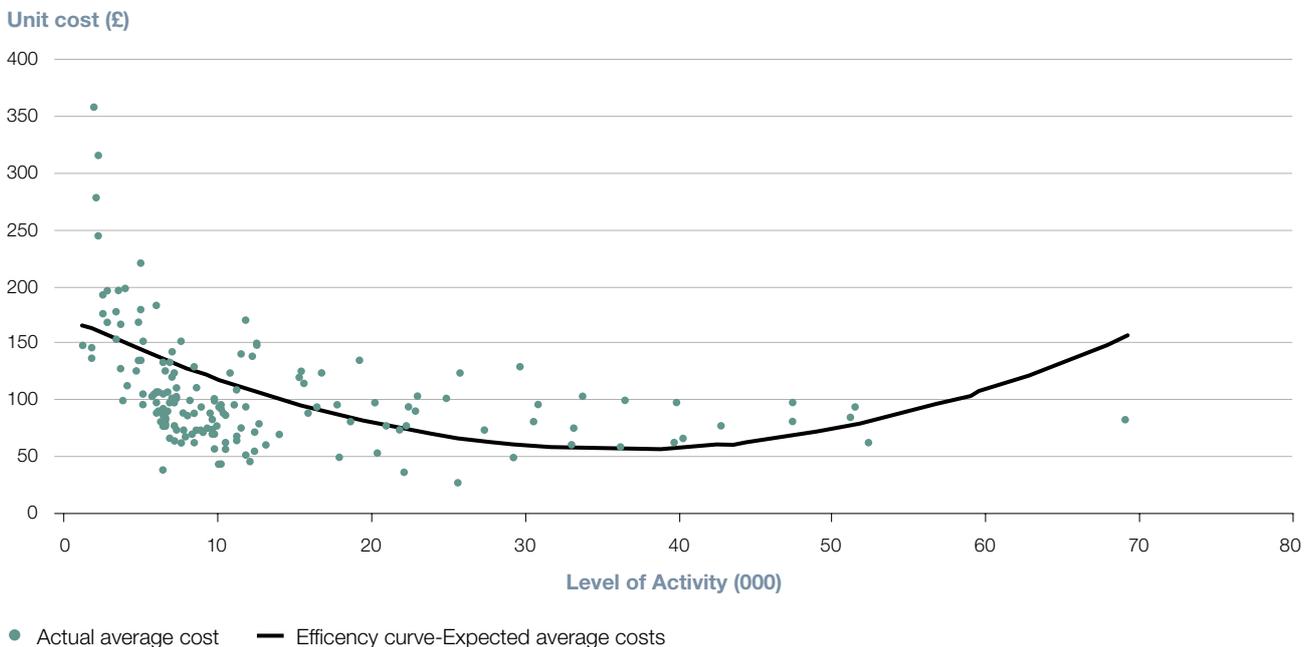
Source: National Audit Office

Efficiency variations

4.5 To analyse efficiency, we compared individual Trading Standards Service's cost and activity levels with each other. Our analysis plotted actual unit costs (the points on **Figure 14**) for each service against expected unit costs (the curve on Figure 14). Trading Standards Services plotted below the curve are more efficient than expected, while those above are less efficient than expected. The expected costs curve was modelled using cost and activity data from all services in our dataset after controlling for population. This allowed us to compare smaller Trading Standards Services on a like-for-like basis with larger ones.

4.6 The dataset for the analysis is incomplete, with only 160 of the 197 services providing sufficient information on their annual return to be a part of the dataset we utilised. Furthermore, apart from the number of prosecutions undertaken, we have not been able to weight data on activity according to type, due to the insufficiency of the data. Therefore, a simple enforcement action such as sending a standard letter is, for the purposes of our indicative analysis, equivalent to the performance of a full inspection.

Figure 14
Efficiency Analysis of Trading Standards



Source: National Audit Office

4.7 The expected unit cost curve in Figure 14 demonstrates how the scope for economies of scale leads to lower expected unit costs for services with higher volumes of activity. It also shows that most similarly-sized Trading Standards Services in our sample have relatively similar levels of efficiency. There are, however, some which diverge further from expected unit costs, including, for example, the service at the far right of Figure 14. This particular Trading Standards Service caters for five separate local authorities, sharing staff and back office processes across the whole area. It is also co-located with several other council services, meaning that it benefits from substantial economies of scale and flexibility of resources.

4.8 Overall, our analysis suggests that the majority of Trading Standards Services are operating at a similar level of efficiency. There is, however, some evidence to suggest that sharing back office processes and joining services together can have a positive impact on efficiency and scope for some services to improve their overall efficiency, particularly the smaller ones who appear to suffer from dis-economies of scale.

Consistency of Service Provision

Consumer complaints

4.9 The establishment of Consumer Direct has created a consistent approach to dealing with straightforward consumer complaints. Previously, complaints were dealt with by each individual Trading Standards Service, resulting in a lack of service consistency for consumers. Consumer Direct's research shows that 82 per cent of users surveyed were fairly, very or completely satisfied with the service.

4.10 Where a consumer complaint is more complex, for example, if it involves potential criminal activity, Consumer Direct may refer it to the Trading Standards Service where the trader is located, for further action. All Trading Standards Services accept referrals from Consumer Direct although not all of them divert their incoming consumer calls through the service. We analysed the arrangements for these referrals and found that 84 per cent of Trading Standards Services will only accept referrals for cases that appear to involve criminal activity, or those involving vulnerable consumers.

4.11 During each of our field visits to Trading Standards Services, we tested a sample of referrals obtained from Consumer Direct to analyse how consistently these had been actioned (10 or 11 cases for each service from throughout 2010, giving a total of 82 referrals). We found that all the cases had been resolved by the local Service, or referred on to a more appropriate body.

Operational approach and capacity

4.12 As **Figure 15** shows, our survey of Trading Standards Services found that 38 per cent of respondents felt intelligence had the greatest influence on their workload, whilst 30 per cent were more reactive and cited Consumer Direct referrals as the greatest influence. During our visits, we observed that approaches vary with some Trading Standards Services relying heavily on inspections and others focusing on formal enforcement actions.

4.13 The profile and position of each Trading Standards Service within their local authority varies widely, with the Head of Service occupying a very senior position in some authorities and having much less responsibility in others. **Figure 16** overleaf shows the level of management below Chief Executive at which the head of Trading Standards sits. Within London Boroughs and Unitary authorities there is more likelihood that the Head of Service will sit at a lower tier of management and thereby have a lower level of visibility and autonomy within the local authority.

4.14 There is no minimum level of service in place for Trading Standards Services and the only statutory requirement is the employment of a single weights and measures officer. In the context of large reductions in resource, there is a risk that some Trading Standards Services will not provide a minimum standard capable of providing support for cross-border enforcement. Work has been undertaken by the Local Better Regulation Office, the Department and other stakeholders to develop core competency frameworks for regulatory professionals.

Figure 15
Factors influencing the workload of Trading Standards

Factors most influencing Trading Standards workload

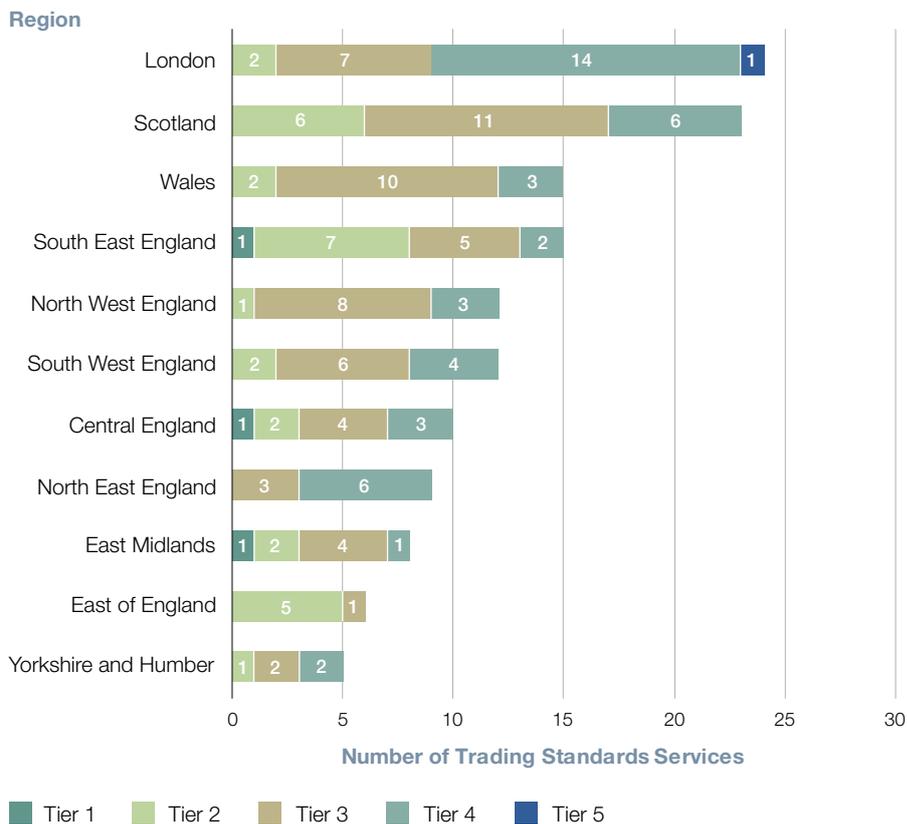


NOTE

1 Sixty-five responses to the question, “Which of the below has the most influence over your work?” Possible answers: Intelligence/Strategic Assessment, Direction from local authority; National Objectives; or Consumer Direct referrals.

Source: National Audit Office Survey of Trading Standards, Q12. March 2011

Figure 16
Management Tiers of Heads of Service



NOTE

1 'Tier 1' refers to the level of management below Chief Executive at which the Head of Trading Standards sits i.e. 'Tier 1' is one level below Chief Executive.

Source: National Audit Office, from the Trading Standards Workforce Survey, June 2010 (Trading Standards Institute)

Part Five

Evaluating outcomes

5.1 Evaluation is important in helping policymakers to understand the value of activity, and to ensure accountability to taxpayers. Demonstrating the value of consumer law enforcement is particularly important because while most of the funding and delivery has been devolved to local authority Trading Standards Services, the laws and regulations are set by central government. Good evaluation can help local authorities understand the impact that their work has on meeting national objectives as well as on protecting consumers in their own area.

5.2 This part examines how the performance and impact of consumer enforcement agencies is evaluated, the performance frameworks in place, and how well the drivers of cost are understood. It finds that:

- there is no overarching performance framework for the overall consumer protection system;
- data on system costs and activity is incomplete;
- there is information on the impacts of certain elements of the regime, such as the Office of Fair Trading's evaluation of its own enforcement work, and that of Trading Standards Services; and
- there are some indicators of overall consumer satisfaction and levels of detriment, but no feedback loops to policymakers on overall system performance.

Overall performance framework

5.3 There is no overarching performance framework in place for consumer protection, and historically, the collection and analysis of performance data for Trading Standards Services has been problematic.

5.4 Until 2007-08, Trading Standards Services were required to complete The National Performance Framework which was used to benchmark services on the basis of consumer and business satisfaction with the service received. We found the results were of limited use as the majority of services scored very highly and there was little differentiation between them. Until October 2010, under the National Indicator Set, Trading Standards Services measured the 'satisfaction of business with local authority regulatory services'. However, since this was scrapped there has been no national performance framework in place. The Office of Fair Trading has performance reporting arrangements with HM Treasury

5.5 During our field visits we examined the current performance data produced by Trading Standards Services. We found variations in the level, quality and detail of data depending on the prominence of the service within the structure of the authority. Performance measures we viewed were localised and could not be aggregated to give a complete picture of overall Trading Standards Service delivery. **Figure 17** shows the most common Key Performance Indicators used by those who responded to our survey of Trading Standards Services.

Figure 17
Key Performance Indicators for Trading Standards Services



NOTE

1 Sixty-five unprompted responses to the question: "Please specify regular performance indicators that you are asked to supply." Responses have been grouped.

Source: National Audit Office Survey of Trading Standards, Q.25. March 2011

Evaluating cost and activity

5.6 The most comprehensive cost and activity data on Trading Standards Services is currently produced by the Chartered Institute of Public Finance Accountancy (CIPFA) using a voluntary annual return. CIPFA received an 86 per cent response rate in 2008-09 and some of the returns received were only partially completed.

5.7 During our field visits we found that, where Trading Standards Services had completed the return, there were in-house validation processes in place although these did not constitute a formal audit, and the data on the returns was consistent with local financial data. However, there is no standard approach to reporting costs and activity, for example, how to include overhead costs, meaning the data is of limited use in understanding system costs and activity levels.

5.8 Some of the Trading Standards Services we visited indicated that they did make use of CIPFA data for benchmarking purposes and internal reporting but all stated that there were few incentives to complete the return. None of those visited were aware of the data being used or interrogated in any way by the bodies with overall responsibility for the enforcement system.

Evaluating Impact

5.9 Measuring the impact of enforcement activity is difficult because of the wide array of activities undertaken by consumer protection bodies, the long-term nature of impacts achieved and the likelihood of wider indirect impacts occurring, such as the deterrent effect of a successful enforcement case.

The Fair Trading Impact Calculator

5.10 The Office of Fair Trading has led the way in developing a methodology to evaluate the economic impact of consumer law enforcement work and developed the fair trading impact calculator. This has to date been applied to the work of the Office of Fair Trading, the fair trading work of Trading Standards Services and used in the performance reporting for the regional enforcement projects. **Figure 18** overleaf outlines the estimated impacts of enforcement bodies that have been calculated using this method.

Figure 18
Estimated impact of enforcement work

Enforcement body	Estimated Impact (£m)	Reference
Office of Fair Trading (2010)	42	1
Regional enforcement projects (2008-10)	41	2
Trading Standards Services (2009)	347	3

NOTES

- 1 This figure does not take account of the deterrent effect of policy or any impact arising from consumer education, support for Trading Standards Services or reduced psychological harm to consumers and is therefore a conservative estimate.
- 2 Estimated 'Direct/Actual consumer savings' by Scambusters (£23 million) and Illegal Money Lending teams (£18 million) between April 2008 and October 2010.
- 3 Relates only to direct financial impacts of Trading Standards fair trading work. Benefit to cost ratio of £6 to £1.

Source: Office of Fair Trading, Department for Business, Innovation and Skills

5.11 To calculate the economic impact, the number of complaints against targeted traders is compared before and after enforcement action has been taken. A formula is applied to the difference to monetise the level of consumer detriment avoided. This is then grossed up to allow for the fact that only some consumers will actually complain about a trader, and because consumers of other firms who cease the practices are also likely to benefit.

5.12 The calculator only applies to fair trading work, and specifically excludes wider consumer protection work, for example, tackling intellectual property crime. We also found that Trading Standards Services and Scambusters teams who have attempted to use the tool feel that it does not provide a robust measure of detriment and outcomes on an annual basis as cases often take place over a number of years. Furthermore, there are indications that the calculator has been applied inconsistently between the regional teams, with impacts reported by Scambusters teams ranging from £0 to £15.7 million between April 2008 and October 2010. The Office of Fair Trading's own research has found that the reported impacts are low when considered against the overall level of consumer detriment, suggesting that the tool under-reports impacts.

5.13 This is a very challenging area and, whilst their approach is advanced in comparison to other consumer protection agencies, the Office of Fair Trading has recognised the need to develop it further and is working on improvements to the methodology.

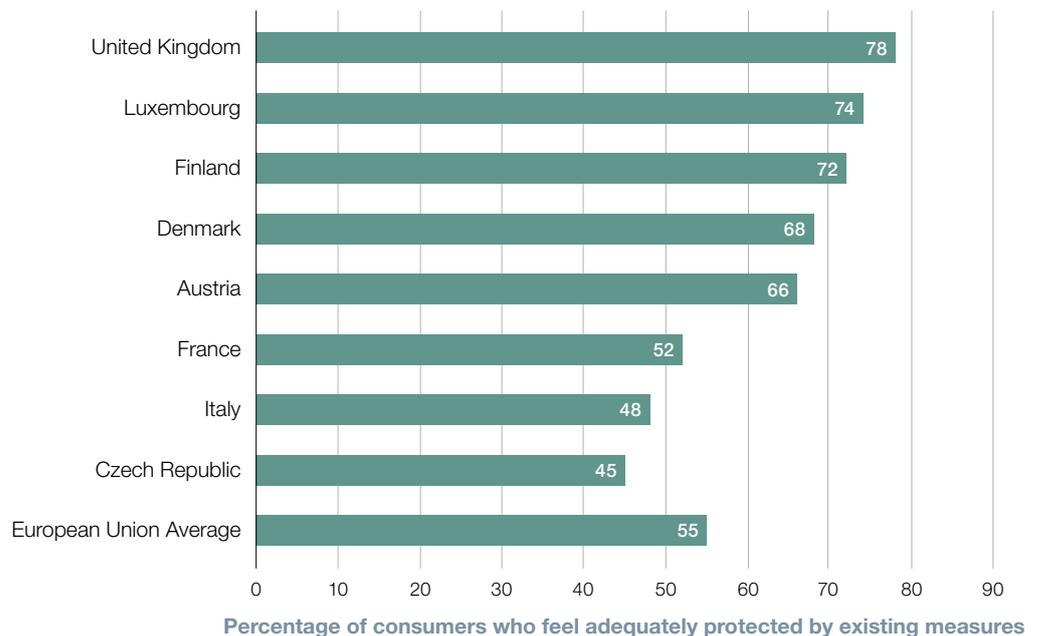
Evaluating Outcomes

Consumer confidence – overall satisfaction

5.14 Consumer confidence is an important indicator of overall system performance. Confidence in how well consumers feel protected in the UK is high when compared with other EU countries. Seventy-eight per cent of UK consumers feel adequately protected, higher than the European Union average of 55 per cent (**Figure 19**). Similarly, our omnibus survey of consumers found that consumers felt ‘very’ or ‘fairly’ confident in being treated fairly when shopping in shops (85 per cent)² which indicates that consumer protection measures are relatively successful. The comparative figure for shopping online (responses to “when shopping online, how confident do you feel that you will be treated fairly by traders?”) was, however, lower, at 62 per cent.

Figure 19

How protected consumers feel in comparison to selected European Countries



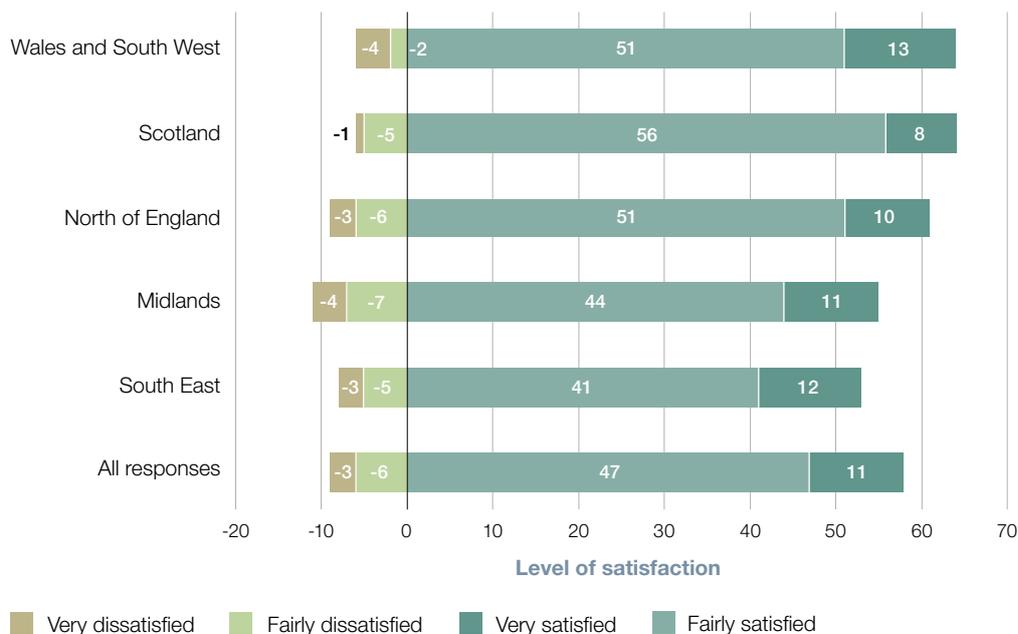
Source: *Consumer Markets Scoreboard 3rd edition* (European Commission, 2010)

² From a telephone survey of 1000 respondents. Question: “How confident do you feel that you will be treated fairly by traders when you go to the shops.”

Satisfaction with local protection from unfair trading

5.15 Our omnibus survey of consumers also found that satisfaction with what is done in their local area to protect consumers from unfair trading practices is not as high, at 58 per cent. This compares unfavourably with similar figures for the police, which show the level of public confidence to be 69 per cent.³ Furthermore, our omnibus survey found that satisfaction varies by region, with 53 per cent of respondents in the South East ‘very’ or ‘fairly’ satisfied, compared with 64 per cent in Scotland (**Figure 20**). This suggests regional variation in the success of enforcement activity.

Figure 20
Satisfaction in what is done in respondents' local area to protect them from unfair trading practices (by region)



NOTE
1 One thousand responses to “Overall, how satisfied or dissatisfied are you with what is done in your local area to protect you from unfair trading practices?” Responses: Very Satisfied, Fairly Satisfied, Neither Satisfied nor Dissatisfied, Very Dissatisfied and Don't Know.

Source: Ipsos MORI. ‘National Audit Office Consumer Perceptions Survey’. February 2011

3 Home Office Statistical Bulletin, *Crime in England and Wales 2009-10*.

Appendix One

Methodology

Selected method	Purpose
<p>1 Quantitative analysis of Trading Standards Services costs and efficiency</p> <p>We analysed CIPFA stats data on the gross cost, population and activity of Trading Standards Services.</p>	<p>To understand whether there are unwarranted differences in service provision and assess the consistency of service standard.</p>
<p>2 Stakeholder Consultation</p> <p>We took views from a range of stakeholders.</p>	<p>To obtain stakeholders' views on the efficacy of consumer protection intervention.</p>
<p>3 Literature Review</p> <p>We reviewed literature regarding the nature of consumer detriment and the impact of interventions.</p>	<p>To understand how detriment has been defined and how the outcomes of enforcement work have been quantified.</p>
<p>4 Structured Interviews with key enforcement officials and online survey of Trading Standards</p> <p>Between December 2010 and February 2011, we interviewed key bodies within the enforcement landscape, including nine Trading Standards Services, and undertook an online survey of Trading Standards Services to which we received 65 responses (30 per cent).</p>	<p>To understand the interactions between enforcement bodies, operational variations between different areas and the challenges in service delivery.</p>
<p>5 Omnibus Survey of Consumers</p> <p>We commissioned a telephone omnibus survey of 1,000 consumers from Ipsos Mori in February 2011.</p>	<p>To gain an understanding of how well consumers feel they are protected and where they are likely to go for help when they experience detriment.</p>



Design and Production by
NAO Communications
DP Ref: 009614-001

This report has been printed on Consort 155 and contains material sourced from responsibly managed and sustainable forests certified in accordance with FSC (Forest Stewardship Council).

The wood pulp is totally recyclable and acid-free. Our printers also have full ISO 14001 environmental accreditation which ensures that they have effective procedures in place to manage waste and practices that may affect the environment.

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & Email

TSO

PO Box 29, Norwich NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline

Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/General enquiries 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

Customers can also order publications from:

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

028 9023 8451 Fax 028 9023 5401

£15.50

