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Consumer Codes Approval Scheme (CCAS)

Issue 6

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Newsletter

Codes consumer launch

Buy with confidence when you see this sign

The OFT launches its Consumer Codes Approval Scheme (CCAS) and the OFT Approved code logo to consumers across the UK on 5 October 2005.



The scheme was initially promoted to business in 2003, and for each of the first three OFT Approved codes, the OFT launched high-profile targeted sectoral marketing campaigns. Now the CCAS has reached a new stage and the OFT believes that the time is right to promote the scheme to consumers.

Biggest ever

The campaign will be the biggest the OFT has ever unveiled – demonstrating our commitment to the CCAS.

The campaign will use a wide range of media, including posters at transport stations and shopping centres, radio adverts and print advertising in national and regional press. A well known celebrity will front the campaign and we anticipate that the promotion of the CCAS by a well known celebrity will generate great interest and excitement about the codes launch. We will also use targeted PR activities to generate further coverage in the print and electronic media.



Codes poster advertisement

The strap line for the campaign is *Buy with confidence when you see this sign*. Widespread recognition by consumers of the OFT Approved code logo will ensure that those members of approved codes who can display the logo, will gain a clear market advantage over those who are not signed up to an OFT Approved code. (Please see CCAS Newsletter 5 for more information on the licensing arrangements for use of the OFT Approved code logo).

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Leaflet

To help consumers understand how the scheme works we are producing a leaflet showing the clear benefits of the scheme. To be a success, it is vitally important that the logo connects with consumers.

One of the aims of the campaign will be to explain scheme to them, so that they are aware that when they see the OFT Approved code logo they can be confident the trader:

- is committed to treating them fairly if there is a problem
- will guarantee improved levels of customer service
- will provide clear-cut information about the goods or services they sell
- has user-friendly and speedy procedures for dealing with complaints
- will use clear and fair contracts
- will offer free or low cost independent arbitration
- will offer them more rights than the law provides.

People will also be able to access our website – www.oft.gov.uk/codes – where they can find businesses in their area who are members of an OFT Approved code and further details of the CCAS.

Marginalising rogue traders

Our research has shown a real appetite among consumers, for a scheme that will give them a genuine tool to distinguish between potential suppliers. So the campaign should generate a lot of interest. We will be encouraging people to look out for the logo as a guarantee that the businesses displaying it will deliver improved levels of customer service and treat them fairly if there is a problem.

One of the anticipated additional benefits of the scheme, will be the marginalisation of rogue traders. If consumers can easily identify traders who are committed to treating them fairly if problems arise, then there is less scope for rogues to cash in. This is good news, because rogue traders can be detrimental to the image of reputable firms in a sector.

The logo is an indicator of excellence, showing that the business offers higher standards of customer service. This can be an extremely powerful way of drawing in new customers – and cementing the loyalty of existing clients. The expectation is that in time, the logo will be frequently seen in the high street, in catalogues, telephone directories, and on websites. That will build consumer confidence and provide real marketing benefits for businesses signed up to an OFT Approved code.





OEA gets OFT code approval

On 8 September the Ombudsman for Estate Agents Company Limited (OEA) secured OFT approval for its consumer code of practice. The code is designed to ensure consumers get a fairer deal when using OEA estate agents' services.

The OEA represents around forty per cent of estate agency offices in the UK.

Members of the OEA can now use the OFT Approved code logo, to display their commitment to high quality customer service standards.

The main benefits for consumers dealing with OEA members include:

- access to free dispute resolution via the Ombudsman for Estate Agents scheme

- consumer satisfaction surveys to ensure members are complying with the code
- members to use fair and clear contract terms
- a disciplinary council to deal with members who do not deliver the standards required by the code.

Welcoming OEA's successful efforts to secure OFT approval for its code, Sir John Vickers, OFT Chairman, said:

'The OFT Approved code logo helps consumers identify businesses committed to fair trading. OEA's consumer code of practice raises the bar for customer service in the estate agency sector'.

Credit sector first: DEMSA code completes Stage One

On 5 July, the Debt Managers Standards Association (DEMSA) became the first debt management trade association to successfully complete Stage One of the CCAS. This code represents the first in the credit sector to complete Stage One, which is a priority area for the OFT and where consumers often face significant detriment.

DEMSA is a trade body, representing some of the leading companies and providing consumer advice on debt consolidation etc. DEMSA currently has 5 members with approximately 38% market share.

The DEMSA Code of practice promises to provide the following benefits:

- protection of all clients' deposits or prepayments by the use of separate ring fenced accounts
- an obligation on all members to use fair terms and conditions
- clear written pre-contractual information for customers
- a set of comprehensive monitoring procedures, including inspection visits by independent inspectors, a mystery shopping exercise, checks on marketing, advertising and web sweeps

And if things go wrong:

- an independent redress scheme (arbitration)
- a newly introduced independent disciplinary panel, to ensure that the code is complied with and enforced
- a conciliation service to handle consumer complaints if a member's own complaints procedure does not resolve an issue

To ensure continual improvement:

- regular customer satisfaction surveys, so that problem areas can be addressed should the code fail to deliver on its promise
- a requirement on members to have in place satisfactory provisions for dealing with vulnerable consumers.

DEMSA has been invited to provide the OFT with evidence that these processes are working, in order to achieve OFT approval.

In acknowledging the completion of Stage One, Penny Boys, OFT Executive Director, said:

'I welcome the steps taken by DEMSA and its members in developing their code of practice, to ensure greater consumer protection for their customers, and very much appreciate the commitment and hard work that has made this possible.'

Carpet Foundation code completes Stage One

On 17 August, the Carpet Foundation became the first association in the furniture sector to complete Stage One of the Consumer Codes Approval Scheme.

The Carpet Foundation code of practice promises the following benefits:

- clear and concise information on cancellation rights and an obligation to use fair terms and conditions
- protection of consumers' deposits and a range of free guarantees, including a one year guarantee against installation faults where the Registered Specialist is responsible for the installation. And a two year guarantee against pile reversal for carpets manufactured by Carpet Foundation manufacturers

And if things go wrong:

- procedures for dealing with consumer complaints and a conciliation service
- comprehensive monitoring procedures
- an independent redress scheme (arbitration)
- an independent disciplinary panel to ensure that the code is complied with and enforced.

Welcoming the Carpet Foundation's completion of Stage One, Penny Boys said:

'This code of practice will ensure greater consumer protection for customers and raise standards of service. We look forward to working with them as they progress to the next stage.'

By completing Stage One, the DEMSA and Carpet Foundation's Consumer Codes have met the core criteria in principle. To achieve OFT approval, the second stage will involve testing the code to see whether it works effectively in practice.