

Office of Fair Trading Annual Plan 2010-11

Summary of responses

March 2010

OFT1215resp

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1 INTRODUCTION

- 1.1 Between November 2009 and February 2010, the Office of Fair Trading (OFT) conducted a public consultation on its draft Annual Plan for 2010-11. This document summarises the consultation that was undertaken, the responses received, and how these responses have been taken forward either through amendments to the draft Annual Plan or otherwise.
- 1.2 Section 3(2) of the Enterprise Act 2002 requires that the OFT shall, for the purposes of public consultation, publish a document containing proposals for its Annual Plan at least two months before publishing the final Annual Plan in any year. The consultation was undertaken in accordance with this requirement, and following the criteria set out in HM Government's *Code of Practice on Consultation*.

2 THE CONSULTATION EXERCISE

- 2.1 The consultation exercise gave those interested in our work the opportunity to provide views and comments on the OFT's proposed Annual Plan for 2010-11, which sets out the organisation's main objectives and priorities for the year.

- 2.2 The consultation was published on the OFT's website, a range of organisations were notified of the consultation directly and we met with some during the consultation period to discuss their views. In total we received 16 responses to the consultation. A full list of respondents is at Annexe A.

3 OVERVIEW OF RESPONSES

- 3.1 In general, the responses to the consultation were very supportive of the OFT's plans for next year as set out in the draft Annual Plan. We received a wide range of constructive comments from a diverse group of organisations, which we have taken into consideration in finalising the Annual Plan and elsewhere.
- 3.2 Respondents generally endorsed the key themes of our work for 2010-11 – high impact enforcement, influencing and changing behaviour, delivery and capability and minimising burdens on business. Strong support was expressed for our work on developing confidence in online markets, including developing an e-consumer protection strategy and for our competition advocacy role and work around Government in markets. Our approach to minimising burdens on business, including our Transparency project, was welcomed by a number of organisations.
- 3.3 Many respondents used the consultation process to give their views on specific pieces of work at a more detailed level than the Annual Plan is focussed on. We are very grateful for these comments all of which have been fed into the appropriate teams and groups across the OFT for consideration.
- 3.4 In order to keep the plan focussed on high level commitments we have not included many specific projects or pieces of work, whether proposed by others or through our internal business planning processes. This is in keeping with our need to retain flexibility and the ability to reprioritise our resources in-year.

4 SUBSTANTIVE COMMENTS ON THE DRAFT ANNUAL PLAN

- 4.1 The Annual Plan covers the full scope of the OFT's work and the consultation responses that we received mirror this scope in terms of the range of issues raised.
- 4.2 We have not attempted to address every point raised by respondents in this document. However, all comments have been passed to the relevant teams across the organisation for consideration.
- 4.3 Where a number of respondents have raised points about the same topic, or amendments to the text of the Annual Plan have been made following comments from respondents, our response is set out below.

OFT's approach, including prioritisation

- 4.4 A number of respondents requested further detail on the OFT's approach to its work, in particular its approach to prioritisation. We have set out the factors that the OFT considers and balances when it makes decisions on priorities in the 'About the OFT section' of the Annual Plan. We have expanded this section to explain the approach to our work, including setting out the tools at our disposal, and the importance of working in partnership to deliver our objectives.

Efficiency and value for money

- 4.5 Many respondents recognised the challenges presented across the public sector. Two Government departments suggested we provide more detail on how OFT will be doing more for less. We have provided more detail on how the OFT is responding to the need to deliver more efficient and value for money public services in the 'Key themes – Delivery and capability' section of the Annual Plan.

Minimising burdens on business

- 4.6 In response to a Government department's suggestion that we provide more examples on how we are reducing burdens we have provided a

further example to illustrate our approach keeping costs and burdens to business as low as possible in our regulatory work [paragraph 2.16].

Key external factors we will respond to in 2010-11

4.7 As noted above, respondents welcomed our focus on **online markets** and **Government's role in markets**. One particular respondent suggested the draft underplays e-commerce challenges. We have provided further information providing context to and outlining the benefits we see to this work. It also highlights challenges such as the fast-moving and cross-boundary nature of online transactions.

Performance framework and objectives – objective 1: to deliver high impact outcomes

4.8 In relation to the **UK merger regime** we have clarified the text to state that we will 'refer other cases that raise serious competition issues' to the Competition Commission. We have also referenced our 'mergers intelligence function' as the means by which we will continue to identify and investigate mergers that have not been notified to us.

Performance framework and objectives – objective 2: to be a centre of intelligence and excellence

4.9 A Government department suggested we might place more emphasis on using intelligence. As well as referencing our intelligence function in mergers we have included a paragraph outlining our commitment to developing our understanding of consumer behaviour and decision-making, and to keeping up to date with changing business models, especially those that have the effect of encouraging entry to markets.

Resources

4.10 We have clarified our gross spending capacity for 2010-11, reflecting a suggestion that we take into account anticipated income into the OFT.

ANNEXES

A LIST OF RESPONDENTS

Better Regulation Executive

British Bankers' Association

Department for Business, Innovation and Skills

Citizens Advice

Civil Aviation Authority

Competition Commission

Consumer Council for Northern Ireland

Confederation of British Industry

Consumer Focus

HM Treasury

Local Better Regulation Office

National Audit Office

Reed Smith

Trading Standards Institute

Which?