

# who we are

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## Our aims

The OFT's goal is to make markets work well for consumers. We achieve this by promoting and protecting consumer interests while ensuring businesses are in open, fair and vigorous competition with each other for customers.

There are three main ways we pursue our goal.

- We **investigate** whether markets are working well for consumers
- We **enforce** consumer protection and competition laws
- We **communicate** with consumers, business and Government

Our Statement of Purpose provides more detail on our aims. It is set out on page 84 of this report.

## Our structure

We have three frontline divisions: markets and policy initiatives, consumer regulation enforcement and competition enforcement. These are supported by our legal, communications, personnel, finance, training and facilities management teams.

The different parts of the OFT have clearly defined responsibilities but are united by common objectives. We place great emphasis on cross-divisional teamworking.

## Markets and policy initiatives

To help markets work well, we carry out studies to explore how markets and market practices operate. We might research one particular market in detail or we might investigate how common practices operate across a wide range of markets.

The results of our studies, which will be made public, help us assess what action, if any, needs to be taken to make markets work better.



### **Consumer regulation enforcement**

We protect consumers' interests by tackling rogue traders, eliminating unfair trading practices and licensing certain traders.

In pursuit of this, we:

- coordinate enforcement action throughout the UK with our other regulatory partners
- take action against traders who act unfairly
- encourage codes of practice
- offer a range of information to help consumers understand their rights and make choices
- work closely with regulatory bodies in other countries that also have enforcement powers.

### **Competition enforcement**

We safeguard vigorous and open competition by enforcing competition legislation.

This involves:

- stopping and deterring cartels and other damaging anti-competitive agreements
- stopping and deterring abuses of dominant market positions
- promoting a strong competitive culture across the economy
- assessing mergers for the effect they have on competition and referring to the Competition Commission those which raise concerns
- informing business, through a widespread education programme, about new legislation and how to comply with it.

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## **Our powers**

The OFT has a wide range of statutory powers and duties. Over the past three years, important new legislation has been introduced, notably the Competition Act 1998. This Act sharpened competition law and broadened the OFT's investigation and enforcement powers.

The legislation under which the OFT has key enforcement responsibilities are the:

- Competition Act 1998
- Fair Trading Act 1973
- Consumer Credit Act 1974
- Unfair Terms in Consumer Contracts Regulations 1999
- Consumer Protection (Distance Selling) Regulations 2000
- Estate Agents Act 1979
- Control of Misleading Advertisements Regulations 1988
- Stop Now Orders (EC Directive) Regulations 2001.

## **Our objectives**

Our Service Delivery Agreement (SDA) with the Treasury committed us to achieving 13 objectives. Each objective is underpinned by performance targets.

The SDA was revised during 2001 to take account of the additional powers we will gain under the Enterprise Bill (see page 68).

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Our SDA objectives for the financial year 2001/02 were to:

- 1** Enforce robustly the consumer protection legislation the OFT administers, working with co-enforcers and targeting resources to actions that produce the greatest benefit to consumers
- 2** Root out and tackle unfair business practices affecting UK consumers in global and UK markets
- 3** Seek to maximise the deterrent effect on enforcement activity
- 4** Take practical steps to secure improved standards of trading by businesses
- 5** Uproot, deter and take effective action against all forms of anti-competitive behaviour, including cartels and abuse of market power
- 6** Provide timely advice on mergers and acquisitions that might substantially lessen competition and, where appropriate, to take effective remedial action
- 7** Work effectively with international partners to ensure effective competition enforcement
- 8** Investigate markets proactively to see whether they are working well for consumers. As well as business behaviour, investigations will cover government laws and regulations to ensure a competitive environment for business and consumers. Where appropriate, investigations will lead to reports that will be published.
- 9** Provide a source of information to the public on consumer and competition legislation and to gather and record intelligence for referral to enforcement divisions and Markets and Policy Initiatives division
- 10** Advise government on how to achieve the most effective regime for competition and consumers
- 11** Communicate clearly in order to: show how competitive markets that work well are important for consumers, fair dealing businesses and economic performance; explain our decisions transparently; promote compliance by explaining to business what the law is and how the OFT will apply it; promote consumer awareness and confidence; and coordinate effectively with enforcement partners locally, nationally and internationally.
- 12** Recruit and develop high calibre, qualified and well-trained staff who are able to implement the OFT's goal of making markets work well for consumers
- 13** Have effective planning and financial management systems, obtain value for money in all areas of expenditure, and make best use of our physical and information resources.

Details of our performance against our **Service Delivery**

**Agreement** objectives can be found on page 78 onwards.

**A Guide to the OFT** provides a detailed overview of who we are, what we do and the legislation that shapes our work.

A printed copy can be ordered by telephoning

**0870 60 60 321** or by e-mailing [oft@eclogistics.co.uk](mailto:oft@eclogistics.co.uk).