

communicating

Communicating effectively is becoming increasingly important for the OFT. As an accountable public body, we have a duty to be transparent, explaining clearly what we are doing, and how and why we are doing it.

Moreover, communication plays a vital part in making the laws under which we have responsibility work effectively and hence in making markets work well for consumers. Informing and educating consumers helps them make confident choices; confident consumers in turn put pressure on businesses to raise their standards. Issuing guidance to businesses helps them understand their responsibilities, and publicising our regulatory action deters traders from breaching the law.

Through research, we build our understanding of the communication needs of our different stakeholder groups and we use a range of techniques to communicate effectively with them. We frequently work in partnership with other organisations to coordinate our communication activity and create maximum impact.

Educating consumers

We believe the most effective weapon against scams is greater consumer awareness. During the reporting period, we mounted several publicity campaigns to alert consumers to some major unfair trading practices. These campaigns were based on evidence we had collected of markets that were not working well and practices that were causing consumer detriment. We also began a more general drive to encourage consumers to get businesses to compete for their custom.

Championing competition

In early 2003, we launched a major new campaign to encourage consumers to use their power in the marketplace. The *It's your call* campaign encouraged consumers to be active and aware so that businesses have to compete harder for their custom.

The campaign set out to encourage consumers to shop around, make clear what they want, negotiate on price and complain if products or services are not up to standard.

Fronted by television presenter Alvin Hall, the campaign received widespread media coverage. On the day it was launched, it was featured at least 12 times on television and almost 50 times on national and local radio.



In addition, we ran advertisements promoting the main messages on national and local radio, and distributed 5,000 consumer leaflets through trading standards departments and citizens' advice bureaux.

Holiday clubs

Consumers were alerted to the dangers of bogus holiday clubs in a campaign we launched in March 2003. The campaign was based on complaints we received after issuing an appeal for victims of timeshare scams to come forward.

Our campaign advised consumers how to recognise bogus holiday clubs and distinguish them from legitimate offerings. We highlighted the lack of protection consumers have when they buy into these schemes and suggested how to avoid being taken in by pressure selling.

The campaign was aimed at older people, particularly retired couples, who are likely to be targeted by holiday club companies. It began with a high-profile media launch spearheaded by TV presenter Esther Rantzen. We ran advertisements in around 50 regional daily newspapers and radio advertisements on stations serving large numbers of listeners over 50 years of age. We also issued 10,000 consumer leaflets, including several thousand through travel agents.

For more on our work on holiday clubs, see page 48.

Misleading advertising

We ran a campaign to warn consumers about misleading advertising, especially for 'miracle cure' health, slimming and beauty products. The campaign was launched against the background of an increase in the number of complaints about these products to the Advertising Standards Authority (ASA) and was informed by our involvement in a worldwide internet sweep that uncovered potentially misleading claims made by health websites.

Developed in partnership with the ASA and fronted by TV personality Linda Robson, the campaign sought to raise awareness about misleading advertising and help consumers avoid becoming a victim of a scam. Our key message to consumers was that if something looks too good to be true, then it probably is. The campaign included the distribution of posters and 4,000 leaflets through trading standards departments, citizens' advice bureaux and schools, and extensive regional press advertising.

On the day of its launch, there were around 50 reports on the campaign on radio and television and it generated approximately 120 column-inches of newspaper coverage.

For more on our work on misleading advertising, see page 41. For more on our involvement in worldwide internet sweeps, see page 47.



Health and fitness clubs

To help consumers avoid signing up to unfair contracts with health clubs, we produced and distributed a new consumer leaflet. *Are they fit to join? A guide to health club membership terms* was published on the back of guidance we issued to the health and fitness clubs sector setting out examples of contract terms we consider to be unfair. The campaign secured widespread media coverage, notably on breakfast television programmes.

For more on our work on health and fitness clubs, see page 38.

Extended warranties

In the run-up to Christmas 2002, we issued a leaflet encouraging consumers to think carefully before taking out extended warranties. We produced the leaflet in the wake of our reference to the Competition Commission of the market for extended warranties on domestic electrical goods. The leaflet was made available at trading standards offices, shopping centres and libraries.

For more on our study of the market for extended warranties on domestic electrical goods, see page 20.

Download OFT publications and publicity materials from www.of.gov.uk or request copies by telephoning **0870 60 60 321**

Raising local awareness

We began a programme of roadshows for consumers, businesses, intermediaries and co-enforcers. The roadshows, carried out region by region across the UK, give these audiences an insight into key consumer and competition laws and how they are enforced, and help them understand their rights and responsibilities. In addition, the roadshows help us improve our understanding of how local markets are working in practice and develop our contacts at a local level.

The roadshows consist of three key elements:

- a seminar for businesses to promote compliance with competition and consumer protection laws
- a seminar for trading standards officers to strengthen our working relationships with them
- a stand at a major shopping centre in the region to raise awareness among local consumers of their rights when shopping.

During the reporting period, we held nine roadshows across the UK in cities from Plymouth to Glasgow. Through them, we were able to talk directly to hundreds of businesses and thousands of consumers.



Before each roadshow, in conjunction with the Federation of Small Businesses, the Confederation of British Industry, the Institute of Directors and local chambers of commerce, we sent out advance publicity to thousands of businesses in the region. We also ran radio advertisements to attract consumers to our stands and gained significant media coverage of the consumer messages in local media, at the time of the roadshows.

The roadshow programme will continue throughout 2003.

Communicating with business

Business advice open days

We continued to participate in business advice open days organised by HM Customs & Excise. We have been involved in these events since 1999 along with other key partners including the Inland Revenue, the Patent Office and the Health and Safety Executive.

There are various seminars on offer to attendees. Our seminar covers the work of the OFT and highlights what businesses need to do to comply with competition and consumer protection law. We also run an exhibition stand at the events from where we can give advice to businesses and distribute OFT publications.

During the reporting period, we took part in 13 open days which each attracted between 850 and 1,000 representatives of local businesses.

Competition Act and Enterprise Act awareness

In January 2002, we relaunched our Competition Act 1998 awareness programme. During the reporting period, we made 11 presentations to trade associations to help explain the law and promote compliance. In January 2003, we launched a similar programme of presentations to trade associations covering the Enterprise Act 2002.

We continued to publish the *OFT Weekly Gazette*, an e-mail newsletter that provides subscribers with news on our enforcement of the Competition Act.

As part of our work to raise awareness of the Enterprise Act, we ran advertising in professional journals aimed at professional advisors such as lawyers and accountants. We also produced a series of guidance documents explaining how the provisions of the Act would work in practice and launched an e-mail newsletter about the Act.

Subscribe to our e-mail newsletters by going to www.of.gov.uk/enterpriseact



Guide for SMEs

In December 2002, we produced a simple guide, *Running a business?*, to help small and medium-sized enterprises understand their obligations under competition and consumer legislation. In the four months after the guide was launched, we distributed 10,000 copies, mainly at business advice open days and OFT regional roadshows.

Communicating with the media

Our drive to explain our decisions clearly and publicise our regulatory action as a deterrent to those not in compliance with the law led us to seek a higher profile in the media during the reporting period.

During the financial year 2002-03, we issued 114 press releases (compared with 70 in 2001) and dealt with more than 4,400 (2001: 4,100) media enquiries. Senior OFT officials gave 360 (2001: 157) interviews and media briefings in the period. This included a large number of television and radio interviews explaining our market studies and highlighting the key messages of our consumer education campaigns.

We made a concerted effort to use the regional press to communicate our key business and consumer messages. We gained significant local press coverage of our consumer education campaigns, our regional roadshows and our action against local businesses we found unfit to hold a consumer credit licence.



General publicity and marketing

OFT website

In February 2002 we made our website (oft.gov.uk) more user-friendly, based on detailed research into the needs of site users. Our aim was to make the site more comprehensive and easier to navigate. In the last 12 months the number of visitors to the site per week increased significantly.

The volume and range of information being published on the website was expanded to include publicity campaign materials such as audios of radio advertisements and copies of posters.

In a National Audit Office report on the accessibility of government websites for older people, the OFT site was judged to be a 'front-runner'.

At the end of 2002, we carried out a survey of website visitors followed by more in-depth research among samples of the site's key audiences. The results of the survey and research will be used to further develop the site.

Speeches

Senior OFT officials made speeches on a wide variety of topics related to our work. Key speeches given in the reporting period by John Vickers, included:

- a speech to the European Commission's merger control conference advocating reform of the European Community Merger Regulation
- an address to the Trading Standards Institute and Local Authorities Coordinators of Regulatory Services on consumer enforcement cooperation
- a speech to the British Chambers of Commerce conference to explain recent developments in the framework and practice of public policy relating to competition, consumers and enterprise
- a speech to the Social Market Foundation on why competition is a core consumer issue
- the Oxford Business Alumni Lecture contrasting the new UK frameworks for monetary policy and competition policy, which have both been reformed to strengthen independence, transparency and accountability
- a speech at Oxford University on the relationship between economic analysis and public policy.

Download speeches given by OFT officials from www.offt.gov.uk/News/Speeches/



fair trading magazine

We continued to publish our magazine *fair trading* which provides news on our work and explores important issues in competition policy and consumer protection.

Subscribe free of charge to *fair trading* by e-mailing fairtrading@eclogistics.co.uk including the words '**Subscribe fair trading magazine**' and your name and postal address

Measuring the impact of our communication

In March 2003, we commissioned extensive research among businesses and consumers to gauge their knowledge of key competition and consumer laws, their understanding of consumer rights and their awareness of the OFT. The results helped us assess the effectiveness of our communication programme and will help us shape and target future campaigns and other communication activity. We plan to repeat the research annually.

Businesses

Competition Act

The research told us that 55 per cent of businesses with 10-499 employees were aware of the Competition Act (compared with 52 per cent in 2002). Awareness of the Act was 74 per cent for businesses with more than 50 employees. Among all companies with more than 10 employees, 36 per cent were aware that there were financial penalties for infringement of the Act (compared with 28 per cent in 2002).

Consumer legislation

We measured awareness among businesses serving consumers of four key consumer laws. Awareness of the Sale of Goods Act was highest at 58 per cent but only 10 per cent were aware of the Distance Selling Regulations.

We found that businesses had widely varying policies for resolving consumer complaints and dealing with returned goods, and few understood their obligations to provide information to consumers.

Enterprise Act

Awareness of the Enterprise Act among companies with more than 10 employees was 17 per cent, although this rose to 37 per cent for businesses employing more than 50 people. We expect awareness to rise in 2003 as enforcement action is taken and publicised and as we and other organisations step up our communication about the Act.

Consumers

Understanding and confidence

Our research found that three out of four consumers felt well protected when buying goods and services (65 per cent said they felt 'fairly well protected' and 10 per cent said they felt 'very well protected').

While only just over half (57 per cent) felt they were well informed about their rights and few consumers had a clear understanding of their rights when returning goods, 77 per cent felt confident about making a complaint.

Awareness of the OFT

We found that 85 per cent of consumers were aware of the OFT (a rise of two per cent on 2002) and 80 per cent were aware of at least one of our main roles/responsibilities (also a rise of two per cent).

One in five consumers was able to recall information or publicity about the OFT during the previous year, and 12 per cent had seen or heard our campaign warning of misleading advertising in the health and beauty sector.

Performance and spending

Under our service delivery agreement (SDA) with the Treasury, we had a high-level communication objective for the financial year 2002-03. This was underpinned by performance targets.

During the financial year, the OFT spent £2.76m on achieving this SDA objective. This money was allocated as follows:

Publicity	£1.76m
Business information	£0.29m
Press office	£0.28m
Library	£0.33m
Other costs	£0.10m

Objective

To 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; work with the DTI and the Treasury to empower consumers by promoting consumer awareness and confidence; and coordinate effectively with enforcement partners locally, nationally and internationally.

Target	Performance
Deliver a programme of at least six regional OFT roadshows a year in order to raise the profile of the OFT's work among businesses, consumers and intermediaries in the regions.	<ul style="list-style-type: none"> We ran seven regional roadshows in the financial year.
Produce and distribute widely a new shopper's guide embracing all key information for consumers, in forms both for use directly by consumers and, separately, for professional consumer advisers.	<ul style="list-style-type: none"> We produced and distributed a new guide for consumers, <i>Shopping with confidence</i>, and a supplementary and more detailed guide for professional consumer advisers.
Increase the number of consumers with an awareness of the OFT and at least one of its main roles/responsibilities by two per cent above its current baseline.	<ul style="list-style-type: none"> According to research carried out in March 2003, 85 per cent of consumers were aware of the OFT (a rise of two per cent on 2002) 80 per cent of consumers were aware of at least one of our main roles/responsibilities (a rise of two per cent on 2002).
Increase the level of awareness of competition law among businesses with 10-499 employees to 55 per cent by the end of 2002-03.	<ul style="list-style-type: none"> According to research carried out in March 2003, 55 per cent of businesses with 10-499 employees were aware of the Competition Act (up from 52 per cent in 2002).
Launch and continue a national publicity/awareness campaign to champion the importance of competition directed at both consumers and business.	<ul style="list-style-type: none"> We launched a major competition campaign in January 2003.