

who we are

Our purpose

The goal of the Office of Fair Trading is to make markets work well for consumers. Markets work well when there is vigorous competition between fair-dealing businesses.

When markets work well, good businesses flourish.

Our activities in pursuit of this goal involve:

- studying how markets are working
- enforcing competition and consumer protection rules
- communicating to explain and improve awareness and understanding.

Studying markets

We study markets proactively to see whether they are working well for consumers. As well as business behaviour, studies cover government laws and regulations to ensure a competitive environment for business and consumers.

Where appropriate, studies lead to enforcement action or to recommendations to government, which are published.

Enforcing

We uproot and deter all forms of anti-competitive behaviour, including cartels and the abuse of market power. We refer to the Competition Commission (CC) all mergers that might substantially lessen competition and, where appropriate, refer to the CC markets where competition may not be working well.

We lead other enforcers in robust application of the rules that protect consumers against unfair trading, taking court action where necessary. We also take practical steps to encourage self-regulation such as codes of practice.

We work with our international partners to ensure effective enforcement.

Communicating

We 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
- coordinate effectively with enforcement partners locally, nationally and internationally
- advise government on how to achieve the most effective regime for competition and consumers.

We have a leading role in promoting competition and consumer interests in the UK. We are an independent and professional organisation but have no monopoly of wisdom.

We aim to be open and receptive to the ideas and concerns of business, consumer groups and others. We evaluate our performance and are accountable to Parliament and the public.



Our organisation

From 1 April 2003, as a result of the Enterprise Act 2002, the OFT was established on a statutory basis as a corporate body and a new OFT board took on the powers of the Director General of Fair Trading. (Before that, the OFT did not exist as a legal entity).

The board consists of the Chairman, Executive Director and five non-executive members appointed by the Secretary of State for Trade and Industry. The board is responsible for strategic direction, priorities, plans and performance. It is directly involved in decisions on individual market studies and takes enforcement decisions on cases of strategic importance.

We have three frontline divisions: Markets and Policy Initiatives, Consumer Regulation Enforcement and Competition Enforcement. These are supported by our Communications, Legal, and Resources and Services divisions.

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 study how common practices operate across a wide range of markets.

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

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Consumer Regulation Enforcement

We make markets work well for consumers and protect their interests by:

- taking action against traders who act unfairly
- ensuring that consumer legislation and regulations are properly enforced
- working closely with other regulatory bodies with enforcement powers
- raising trading standards through rigorous codes of practice
- offering a range of information to help consumers understand their rights and make choices and to help traders comply with legislation.

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 that substantially lessen competition
- informing business, through a widespread education programme, about new legislation and how to comply with it.

OFT board members

John Vickers	Chairman
Penny Boys	Executive Director
Allan Asher	Non-executive member
Lord Blackwell	Non-executive member
Christine Farnish	Non-executive member
Richard Whish	Non-executive member
Rosalind Wright	Non-executive member



Our powers

During the reporting period, the laws under which the OFT had key enforcement responsibilities were the:

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

The Enterprise Act 2002 commenced on 20 June 2003. The Act replaces the Stop Now Orders Regulations and largely replaces the Fair Trading Act 1973.

For more on our powers, visit

www.oft.gov.uk/Business/Legal+Powers/

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Our objectives and targets

In support of its goal, the OFT has a service delivery agreement (SDA) with the Treasury. The SDA comprises 10 principal objectives, each underpinned by several targets. Our performance against these objectives and targets during the financial year 2002-03 is discussed at relevant points in this report.

Our plan

The Enterprise Act requires us to produce an annual plan. On 3 April 2003, we published a draft plan for consultation. It outlines our values, goals and strategy, and how we propose to spend our budget allocation. The final plan was published on 30 June.

Our annual plan can be downloaded from www.of.gov.uk