

# objective 8: communicating

Communication plays a vital role in making markets work well for consumers. By publicising our enforcement action and producing guidance on relevant legislation, we encourage businesses to comply with the law and complain about anti-competitive behaviour. By informing and educating consumers, we help them avoid falling victim to rogue traders, give them confidence and empower them to put pressure on businesses to raise their standards.

## Performance against our annual plan

<p><b>Objective</b></p> <p>We will empower consumers through campaigns, advice and education and inform consumers and business about their rights and responsibilities under competition and consumer laws, giving law-abiding businesses the opportunity to complain about the anti-competitive behaviour of others.</p>	
<p><b>Our commitment</b></p>	<p><b>Our performance</b></p>
<p>Run a programme of eight regional roadshows across the UK.</p>	<ul style="list-style-type: none"> <li>• Held eight roadshows in 2003-04.</li> </ul>
<p>Run specific, targeted awareness campaigns and other publicity activities including:</p> <ul style="list-style-type: none"> <li>• credit issues campaign/new series of credit advice booklets for consumers</li> <li>• Distance Selling Regulations information campaign for business</li> <li>• championing competition campaign for consumers</li> <li>• a campaign to assist consumers in choosing a dentist.</li> </ul>	<ul style="list-style-type: none"> <li>• Ran campaign to help consumers in debt</li> <li>• Published new credit advice booklets</li> <li>• Ran DSRs campaign</li> <li>• Ran championing competition campaign</li> <li>• Ran private dentistry campaign.</li> </ul>

<p>Begin our consumer education programme. We are consulting on our strategy with stakeholder organisations. We propose:</p> <ul style="list-style-type: none"> <li>• setting up a national strategic group (with public and private sector members) to coordinate consumer education</li> <li>• creating a shared pool of information</li> <li>• bringing together and disseminating research to interested parties.</li> </ul>	<ul style="list-style-type: none"> <li>• Launched consumer education programme and delivered on proposals.</li> </ul>
<p>Establish baseline data for annual surveys of consumers and businesses.</p>	<ul style="list-style-type: none"> <li>• Carried out annual survey and established baseline data.</li> </ul>

During 2003-04, the OFT spent £3.66m on achieving this objective.

This money was allocated as follows:

Publicity	£2.35m
Business information	£0.38m
Press office	£0.35m
Library	£0.45m
Other costs	£0.13m



### Informing consumers

We mounted a range of publicity campaigns to alert consumers to trading malpractices and scams and to help them understand their rights and make confident choices. Our campaigns were all designed to address areas where consumer detriment is high.

#### Debt

Against a background of mounting public concern about consumer indebtedness, our major publicity campaign of 2003-04 aimed to help those whose debts were threatening to get out of control. Launched in the run-up to Christmas 2003, it targeted people between 25 and 40 years of age on lower incomes, particularly those on benefits and single-parent families.

The campaign was fronted by *Coronation Street* actress Sue Cleaver, whose character in the soap opera, Eileen Grimshaw, was heavily in debt. The campaign was featured on BBC and ITV breakfast television and news broadcasts, reaching an estimated television audience of 6.5m people, on national and local radio programmes and in national and regional newspapers.

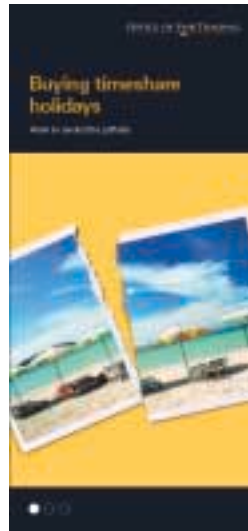
We reinforced our key messages with a radio advertisement that ran around 800 times on national and local stations. We also placed adverts in the major regional daily newspapers.

The campaign highlighted the options available to those in debt and encouraged them to get help rather than trying to ignore the problem. It outlined the rights of consumers when dealing with debt collectors and debt-management companies and warned them of the pitfalls of taking out further loans.

People were encouraged to order our credit card-sized leaflet, 'In debt? Help yourself out', which provides tips on getting out of debt and links to organisations offering free and independent advice.

The leaflet was also made available through trading standards departments (TSDs), citizens advice bureaux and the major money advice services.

►► *Our study of the debt consolidation market: page 75*



## Car warranties

Buyers of new and nearly new cars were advised to scrutinise warranty terms, particularly any that limit their choice of where to get their car serviced, in a campaign we launched in March 2004.

Many manufacturers offer 'dealer-based' extended warranties that require cars to be serviced at a garage belonging to the manufacturer's dealer network where servicing is generally more expensive than at independent garages.

We produced a leaflet with 10 questions to ask about the warranty before buying a new car. It was made available through RAC sales agents and inserted in major national car magazines.

►► *Our study of new car warranties: page 73*

## Private dentistry

We launched a publicity campaign to help people get a better deal from private dentists. The campaign followed our study of the market (published in February 2003) which found that information provided by private dentists about prices and treatments was frequently confusing or inadequate.

We produced a leaflet to help those choosing a new dental practice or weighing up treatment and payment options. It was placed in doctors' surgeries across the UK and made available to TSDs and citizens advice bureaux. More than 130,000 leaflets were distributed during the year.

## Timeshare

We ran a campaign to warn holidaymakers of the pitfalls associated with buying timeshare holidays. We published a leaflet and distributed it through travel agents, took out advertising in the Easjet in-flight magazine and issued a 'consumer alert' that led to features in several regional daily newspapers.

## Canadian lottery scam

Our warning about a Canadian lottery scam received widespread coverage in the national and regional media. As a result, we received a large number of calls to the telephone hotline we set up to collect evidence that was later used by the Canadian authorities in their action against the perpetrators of the scam.

►► *Enforcement action against the Canadian lottery scam: page 39*

### **Bogus charity collections**

We issued a consumer alert about bogus charity clothing collections and the warning was relayed to consumers by the national and regional media.

### **Credit leaflets**

Our series of booklets on credit issues was revised and reissued during the year. The booklets offer advice to help people take control of their spending, avoid borrowing too much and choose the right credit arrangement. The series includes an updated explanation of annual percentage rates (APRs) to help people compare credit deals.

### **Coordination**

During 2003-04, we set up the Consumer Communication Specialists' Network of organisations involved in delivering consumer information. The network aims to ensure effective coordination of campaigns.

📄 *OFT consumer leaflets:*  
[www.ofc.gov.uk/News/Publications](http://www.ofc.gov.uk/News/Publications)

### **Educating consumers**

The Enterprise Act 2002 has given us the power to use consumer education to help make markets work better. In 2003-04, we began developing a long-term consumer education programme to give consumers the lifelong skills they need to make informed and confident buying decisions.

### **National strategic group**

Our first major step was to form a new national strategic group to bring together more than 20 public sector organisations that have a consumer education remit and representatives of businesses with an interest in educating consumers. The group exists to agree priorities, share best practice and coordinate consumer education activities. It met for the first time in October 2003 and is formulating the elements of a new national consumer education strategy.

### **Championing competition**

We continued our drive to encourage consumers to get businesses to compete harder for their custom. First launched in 2002-03, the campaign calls on consumers to use their power in the marketplace by shopping around, making clear what they want, negotiating on price and complaining if products and services are not up to standard.

In March 2004, we promoted these messages through advertising on local and national radio and in regional press titles. We also published and distributed a revised version of our leaflet *It's your call – Make business compete for your money*.

### Shoppers' rights

Our new leaflet, *Shoppers' rights – your quick guide*, was published to help consumers understand their rights under key consumer laws. Leaflets were distributed to TSDs and citizens advice bureaux and to consumers who visited our regional roadshow stand.

### Resources

We developed a new area of the OFT website, to be launched in 2004-05, to provide resources for those involved in consumer education and other consumer advisors. It will provide a library of authoritative text that consumer bodies can use in their publicity materials, examples of best practice in consumer education, a calendar of events and access to the latest research in the field. Users will also be able to submit suggestions and comments for consideration by the national strategic group.

### Young consumers

As part of our new leadership role in consumer education, we became the main sponsor of the Young Consumers of the Year competition organised by the Trading Standards Institute.

① *Young Consumers of the Year:*

[www.tradingstandards.gov.uk/yconsumers](http://www.tradingstandards.gov.uk/yconsumers)

We began developing a long-term consumer education programme to give consumers lifelong skills to make confident decisions.



### Communicating with business

We continued to inform businesses about their rights and responsibilities under competition and consumer law. Our regional roadshow programme was a major focus of this work, along with our engagement with businesses through open days and seminars. In addition, the OFT published a wide range of guidance to business on the application of specific laws (for example, *Home Shopping: Distant Selling Regulations* and *Running a Business?*).

### Roadshows

Our roadshow team visited eight towns and cities across the UK to talk directly to businesses, as well as to consumers and co-enforcers, about key consumer and competition laws and how they are enforced.

The roadshows consist of three main elements:

- a seminar for businesses to promote compliance with competition and consumer protection laws and to explain our market studies work;
- a seminar for trading standards officers to strengthen our links with them and improve their understanding of our work; and
- a stand at a major shopping area in the region to raise awareness among local consumers of their rights when shopping.

They also enable us to gather intelligence on how local markets are working.



During 2003-04, we held roadshows in Carlisle, Inverness, Peterborough, Reading, Southampton, Warrington, Worcester and Wrexham.

### **Open days**

In 2003-04, we participated in 13 business advice open days organised by HM Customs & Excise. At the open days, we held a seminar to explain our work and ran an exhibition stand from which we provided informal advice to businesses and distributed OFT publications. The open days each attracted between 850 and 1,000 representatives of local businesses.

### **Seminars and talks**

Our officials visited trade associations and chambers of commerce across the UK to talk about our enforcement activity and important changes in legislation. The Enterprise Act was a particular focus of our talks in 2003-04.

### **Distance Selling Regulations**

In March 2004, we ran a campaign to raise awareness among businesses in the fast-growing home-shopping market of the Distance Selling Regulations 2000. The campaign was launched in response to research we carried out that showed that only 10 per cent of businesses serving consumers were aware of the Regulations.

We published a leaflet explaining the law and distributed it to trade associations, other business organisations and to TSDs. We also placed adverts in trade magazines catering for home-shopping businesses.

### **Media relations**

The media is a vital channel for the OFT to communicate with consumers, businesses and our other key audiences and our press office plays a part in all our communication activities.

In 2003-04, we secured increased levels of coverage for our regulatory action, our consumer information and education campaigns and our guidance to businesses. We issued 199 press releases and dealt with 4,000 media enquiries. Our Chairman, Executive Director and senior officials gave 313 interviews and media briefings.

OFT-related stories attracting most media interest in 2003-04 included our action against price-fixing in the replica football kit market, our warning about the Canadian lottery scam, our campaign to help consumers in debt and the commencement of the Enterprise Act.

Working with the regional press helped us reach consumers across the UK. In 2003-04, we placed a number of features and consumer alerts in regional newspapers in support of our campaigns on online shopping, the Canadian lottery scam, bogus charity collections and the pitfalls of timeshare.



### Communicating with stakeholders

The new powers and responsibilities the OFT has taken on in the last two years bring with them the need for greater transparency. Communicating with our stakeholders has, therefore, become an increasingly important facet of our work.

During the year, we held meetings with stakeholders in London and Edinburgh to listen to their views on our draft 2004-05 annual plan. We took these into consideration along with written comments submitted as part of the consultation exercise. We also held meetings with stakeholders to discuss specific issues such as the new merger control regime and new super-complaints procedures.

►► *More on OFT stakeholder consultation: page 81*

### OFT website

Our website gives us a direct channel to communicate with consumers and consumer advisers, businesses and their representatives, co-enforcers, government, the media and our other audiences. It contains a wide range of information including explanations of legislation enforced by the OFT, consumer advice, news of our market studies and enforcement action, and copies of our leaflets and reports.

Use of the site continued to increase in 2003-04: visitor numbers were up by 19 per cent on 2002-03. Several leading business organisations praised the OFT site for the frequency with which it is updated and for the email alert system that tells subscribers when new content has been added.

The website plays a key role in making our operations transparent, in particular because it enables us to publicise our decisions. In 2003-04, after the Enterprise Act gave us full responsibility for most merger decisions, we created a new area of the site to provide detailed case histories.

During the year, we prepared to make changes to the site in response to a survey of users. These changes were scheduled to be introduced from April 2004.

📍 *OFT website: [www.of.gov.uk](http://www.of.gov.uk)*

## Measurement

Every year, we measure the impact of our communication by carrying out research among businesses and consumers to gauge their awareness of key competition and consumer laws and their understanding of their rights and responsibilities.

The research we conducted in 2003 informed our 2003-04 communication programme. For example, it prompted our campaign to raise awareness among businesses of the Distance Selling Regulations.

Key findings of our most recent communication research, carried out in March 2004, are detailed below. We are using this research to shape our communication in 2004-05.

## Consumers

We found that consumers generally continue to feel well protected when buying goods and services (75 per cent said they felt 'very well protected' or 'fairly well protected'). A similar proportion of consumers feel confident in using their rights to make a complaint or return goods.

However, only 58 per cent feel well informed about using their rights. Consumers are uncertain about their entitlement to return goods and receive a refund, particularly the time limit that might apply to the return of goods bought over the internet. They are also unsure about their rights when commissioning traders such as builders, plumbers and electricians to carry out work on their homes.

Our research indicated that more than 80 per cent of consumers are aware of the OFT. In addition, slightly more than one in five was able to recall some information or publicity about the OFT in the previous year. Our warning about the Canadian lottery scam reached 38 per cent of those consumers.

## Businesses

Awareness of the Enterprise Act among all businesses was 28 per cent, a rise of 11 per cent on 2003, and awareness among companies with more than 200 employees was 63 per cent. However, businesses had limited knowledge of the details of the legislation: only three in 10 were able to describe any of the aims of the Act. Business awareness of the Competition Act has levelled out at about 50 per cent.

We also measured awareness among businesses of key consumer laws and found that their knowledge of consumers' rights remains variable.

More than 90 per cent of businesses are aware of the OFT.