

## key priorities 2005-06

Looking ahead, we aim to focus our resources in areas where we can make the most difference for consumers. This is especially important given the many calls upon us to intervene in markets.

In our 2005-06 annual plan, published in March 2005, the board signalled five priority areas for the OFT over the next three years. They are:

- credit markets
- construction and housing markets, including services related to them, such as estate agencies
- healthcare markets
- interaction between government and markets, for example through public procurement and subsidies, regulation and public sector bodies competing with the private sector
- mass-marketed scams.

The relevance of these priority themes to consumers was highlighted by a range of OFT activity in 2004-05.

We believe that we can use our powers to tackle the unscrupulous quickly and effectively.

## Credit markets

Credit products involve serious commitments for consumers which can last for several years. They can be complex and consumers may be exploited by unscrupulous suppliers. We believe that we can use

our powers to tackle the unscrupulous quickly and effectively, to ensure that information on credit is accurate and clear, and to empower consumers by helping them to acquire the skills to make informed choices.

Our actions during 2004-05 included:	
<ul style="list-style-type: none"> <li>carrying out a review of credit advertising in Scottish national newspapers and supporting 13 trading standards regional groups in a review of regional newspapers</li> </ul>	<ul style="list-style-type: none"> <li>Page 34</li> </ul>
<ul style="list-style-type: none"> <li>publishing guidance on new regulations governing the advertising of consumer credit</li> </ul>	<ul style="list-style-type: none"> <li>Page 34</li> </ul>
<ul style="list-style-type: none"> <li>referring the supply of home credit to the Competition Commission following a super-complaint by the National Consumer Council</li> </ul>	<ul style="list-style-type: none"> <li>Page 67</li> </ul>
<ul style="list-style-type: none"> <li>issuing a further statement of objections against MasterCard UK Members Forum Limited's agreement on the multilateral interchange fees charged for domestic transactions.</li> </ul>	<ul style="list-style-type: none"> <li>Page 49</li> </ul>

Estimated expenditure on this priority in 2004-05: £6.44m\*

### Construction and housing markets

Construction and housing markets, including services related to them, form a significant part of the workload of our cartels branch. They are of prime importance in

many large public procurement exercises. We continue to receive many complaints from consumers, and we believe that there is great scope for improving trading practices in this sector.

Our actions during 2004-05 included:	
<ul style="list-style-type: none"> <li>imposing fines on ten roofing contractors who agreed to fix prices – and in some cases share markets – for flat-roofing services in the North-East of England and Scotland</li> </ul>	<ul style="list-style-type: none"> <li>Page 48</li> </ul>
<ul style="list-style-type: none"> <li>imposing fines on the UK’s leading supplier of insulated glass desiccant, which is used in the manufacture of double-glazing, and four of its distributors for price-fixing</li> </ul>	<ul style="list-style-type: none"> <li>Page 47</li> </ul>
<ul style="list-style-type: none"> <li>launching a study of the £200m property search market in response to a number of complaints</li> </ul>	<ul style="list-style-type: none"> <li>Page 66</li> </ul>
<ul style="list-style-type: none"> <li>investigating the fitness of 300 estate agents to carry out estate agency work and issuing notices that we were minded to warn or ban estate agents in 14 cases</li> </ul>	<ul style="list-style-type: none"> <li>Page 36</li> </ul>
<ul style="list-style-type: none"> <li>taking our first enforcement actions under the Enterprise Act against an estate agent and a lettings agent</li> </ul>	<ul style="list-style-type: none"> <li>Page 36</li> </ul>
<ul style="list-style-type: none"> <li>publishing guidance on unfair consumer contract terms rules for the home improvement sector.</li> </ul>	<ul style="list-style-type: none"> <li>Page 38</li> </ul>

Estimated expenditure on this priority in 2004-05: £1.18m\*

### Healthcare markets

The sheer scale of healthcare spending in the UK (£81bn in 2002) makes this sector of considerable importance to consumers and the economy as a whole. We will

continue to review developments in healthcare markets to ensure they are working well for consumers, and advise government on the impact of its own regulations on competition and choice.

#### Our actions during 2004-05 included:

<ul style="list-style-type: none"> <li>obtaining undertakings from 10 operators running more than 800 care homes not to use terms in their standard consumer contracts that appeared to the OFT to be potentially unfair</li> </ul>	<ul style="list-style-type: none"> <li>Page 37</li> </ul>
<ul style="list-style-type: none"> <li>carrying out a market study of care homes for older people, focusing on consumer behaviour, price transparency and contracts in relation to current or future fees</li> </ul>	<ul style="list-style-type: none"> <li>Page 67</li> </ul>
<ul style="list-style-type: none"> <li>carrying out a sweep of internet healthcare sites, issuing advisory letters to advertisers and publishing guidance for consumers on our website.</li> </ul>	<ul style="list-style-type: none"> <li>Page 39</li> </ul>

Estimated expenditure on this priority in 2004-05: £0.66m\*

### Governments and markets

The Government interacts with markets as a regulator, supplier, subsidiser and purchaser. Each of these activities has the potential to enhance and promote competition, but also to restrict or distort it. Identifying and understanding these impacts is a growing

component of the OFT's work. We will continue to provide direct input on draft legislation and policy initiatives that may affect our enforcement work. We will also continue to play an active role in assessing new regulations for potential competition concerns.

Our actions during 2004-05 included:	
<ul style="list-style-type: none"> <li>publishing a study on the positive and negative effects of public sector procurement on competition</li> </ul>	<ul style="list-style-type: none"> <li>Page 65</li> </ul>
<ul style="list-style-type: none"> <li>completing preliminary research on the impact of public subsidies on markets and developing an analytical framework for assessing the characteristics of subsidies that distort competition</li> </ul>	<ul style="list-style-type: none"> <li>Page 65</li> </ul>
<ul style="list-style-type: none"> <li>helping to set up the Competition Forum, a cross-government body to promote awareness of competition issues among policymakers.</li> </ul>	<ul style="list-style-type: none"> <li>Page 87</li> </ul>

Estimated expenditure on this priority in 2004-05: £0.62m\*