

# objective 2 enforcing consumer protection legislation

We work closely with other UK agencies and international partners in enforcing the laws that protect consumers against unfair trading. We give businesses the opportunity to cease suspected breaches but take court action against persistent offenders. This enforcement action has an important deterrent effect. To further improve compliance, we issue guidance to businesses on their responsibilities under consumer laws.

## Performance against our annual plan

<p><b>Objective</b></p> <p>We will actively enforce consumer protection legislation, coordinated with other enforcement agencies, with the aim of eliminating unfair business practices and ensuring that only fit persons hold a consumer credit licence or act as an estate agent.</p>	
<p><b>Our commitment</b></p>	<p><b>Our performance</b></p>
<p><b>Consumer credit and estate agents:</b></p> <p>Continue to work closely with the DTI on reforms to the consumer credit regime which will foster competition and innovation while addressing unfair business practices and dealing with unfit businesses.</p>	<ul style="list-style-type: none"> <li>• Worked closely with the DTI on all aspects of the Consumer Credit Bill.</li> </ul>
<p>Improve our fitness checking and screening of consumer credit licence applicants through access to criminal convictions held by Disclosure Scotland, supported by redesigned forms that will capture information enabling better identity checking of individuals and by a review of other sources of relevant information.</p>	<ul style="list-style-type: none"> <li>• Were unable to secure access to criminal conviction information held by Disclosure Scotland for routine vetting of applicants</li> <li>• Redesigned forms ready to be issued in 2005-06</li> <li>• Began reviewing other sources of information for use in fitness checking when systems at our Consumer Credit Licensing Bureau have been upgraded.</li> </ul>

<p>Consult on, and revise if necessary, our guidance on non-status lending, and conduct a compliance review of our debt collection guidance, in order to achieve greatest benefit for vulnerable consumers.</p>	<ul style="list-style-type: none"> <li>• Postponed until 2005-06 consultation on guidance to non-status lenders and compliance review of debt collection guidance. Took extensive licensing action in the latter sector.</li> </ul>
<p>Improve:</p> <ul style="list-style-type: none"> <li>• the effectiveness of the consumer credit licensing regime through providing training for and liaison with trading standards services and citizens advice bureaux, and through input to DTI work on unlicensed trading and revision of the Consumer Credit Act (CCA)</li> <li>• compliance with the CCA by issuing guidance to businesses and effective enforcement coordinated with the trading standards service.</li> </ul>	<ul style="list-style-type: none"> <li>• Ran seminars for Citizens Advice Bureaux to raise awareness of guidance and support monitoring of compliance by debt collectors</li> <li>• Worked closely with TSDs to gather evidence to support licensing enforcement action</li> <li>• Supported DTI action against unlicensed lenders</li> <li>• Issued guidance on new consumer credit advertising regulations and worked with TSDs in enforcing these rules.</li> </ul>
<p>Provide more effective enforcement and protection for consumers in the estate agency market by:</p> <ul style="list-style-type: none"> <li>• the application of wider powers under the Enterprise Act to eliminate new and developing unlawful practices in the market</li> <li>• detailing the way in which these powers will be applied both by the production of appropriate guidance literature and by implementing a proactive programme of educating the industry and enforcement partners via a series of regional conferences and presentations.</li> </ul>	<ul style="list-style-type: none"> <li>• Began using Enterprise Act powers in enforcement action against agents</li> <li>• Launched a programme of seminars and presentations to educate the industry on its legal responsibilities.</li> </ul>

<p><b>Co-regulation and coordination:</b></p> <p>Work with the DTI on European legislation that shapes the framework for consumer and competition law and on initiatives – for example the Organisation for Economic Cooperation and Development’s (OECD) guidelines on tackling cross-border fraud – that improve effective enforcement for UK consumers.</p>	<ul style="list-style-type: none"> <li>• Worked closely with the DTI on Unfair Commercial Practices directive and Regulation on Consumer Protection Cooperation</li> <li>• Chaired ICPEN Europe.</li> </ul>
<p>Target resources to tackle telemarketing scams originating in Canada, working closely with our counterparts to achieve real benefits in a market known to be a major source of detriment to UK consumers.</p>	<ul style="list-style-type: none"> <li>• Worked with partners in Canada to combat the Canadian lottery scam</li> <li>• Contributed to Operation Roaming Charge, which led to action against telemarketing fraud originating in Canada and the USA.</li> </ul>
<p>Assume the presidency of the International Consumer Protection Enforcement Network (ICPEN) in 2004-05, aiming to maximise the effect of cooperative casework under improved cross-border consumer protection legislation.</p>	<ul style="list-style-type: none"> <li>• Took on presidency of ICPEN</li> <li>• Ran two ICPEN conferences</li> <li>• Instigated the London Action Plan on spam</li> <li>• Participated in two internet sweeps</li> <li>• Participated in Scams Awareness Month.</li> </ul>
<p>Where it is impossible to act directly, undertake disruptive enforcement action, working collaboratively with other parties such as internet service providers and postal services.</p>	<ul style="list-style-type: none"> <li>• Undertook disruptive enforcement action, for example by helping the authorities in Switzerland close PO boxes being used by companies in scams targeting UK consumers.</li> </ul>
<p>Research consumer detriment and produce a report that will enable us to more accurately identify our enforcement priorities.</p>	<ul style="list-style-type: none"> <li>• Conducted research and produced interim report.</li> </ul>

Ensure delivery of a coordinated and coherent enforcement order regime under Part 8 of the Enterprise Act by all enforcers, by:

- formalising the respective roles of all enforcers under Memoranda of Understanding
- continuing to provide general and specific guidance, support and training to partners
- promoting the use of the Consumer Regulation Website (CRW) by relevant enforcers as the main tool for exchange of information with OFT about consumer enforcement action, in particular under part 8 of the Enterprise Act, to facilitate OFT's coordinating role and ensure the most efficient and effective allocation of resources nationwide.

- Began negotiating memoranda of understanding with other enforcers
- Ran more than 100 training seminars for enforcement partners
- Gave ad hoc advice to TSDs on more than 350 cases
- Ran training sessions for CRW users and developed a CD-ROM guide to the site
- Presented CRW to a European Commission delegation as part of preparations for the Regulation on Consumer Protection Cooperation.

During 2004-05, the OFT spent £11.06m on achieving this objective. This money was allocated as follows:

<b>Staff costs</b>	<b>£8.91m</b>
<b>Litigation</b>	<b>£1.07m</b>
<b>Other operating costs</b>	<b>£1.08m</b>



### Mass-marketed scams

Mass-marketed scams pose a serious problem for unwary consumers and undermine confidence in legitimate direct marketing. We estimate that the British public loses around £1 billion a year to scammers. During 2004-05, we made progress in combating scams originating in the UK and overseas.

#### TV Direct Distribution/Just 4 You

In the first-ever cross-border court action in Europe to stop a trader in one country deceiving consumers in another, the commercial court in Brussels ruled in favour of the OFT, preventing Belgian company D Duchesne SA sending misleading mailings to UK consumers.

D Duchesne SA, trading in the UK as TV Direct Distribution and Just 4 You, had been sending unsolicited mail-order catalogues to UK residents along with notification of a large prize win, typically £10,000. Many consumers were led to believe that they had to make a purchase from the catalogue in order to secure their supposed win. However, the vast majority of recipients were unlikely to receive the cash prize they thought they had won.

Approximately one million mailings a month were sent to UK consumers, with D Duchesne SA receiving 4,000 orders a day from its TV Direct Distribution and Just 4 You catalogues. We acted after receiving hundreds of consumer complaints.

#### Misleading premium-rate promotions

Purple Rock Solutions Ltd undertook not to publish misleading prize 'giveaway' mailings after OFT action. The company had sent 2.1 million letters to consumers giving the impression they had won a top prize when in fact they were being induced to pay for a low-value product through a premium-rate call and other charges.

The promoters of a premium-rate prize competition called Jackpot Promotions gave an undertaking that they would not use misleading advertising to promote such competitions. The company had sent more than seven million unsolicited automated telephone messages to consumers giving the impression they had won a major prize and inviting responses via a premium-rate number, but nearly all those who responded received only a cruise voucher with stringent terms and conditions attached.

Trading standards departments (TSDs), the Independent Committee for the Supervision of Standards of Telephone Information Services and the Advertising Standards Authority helped collect and provide evidence for these cases.

#### Canadian lottery scam

We worked with partners in Canada to combat the Canadian lottery scam. The scheme promises winnings from a 'Canadian national lottery' in return for upfront fees. Thousands of UK consumers have lost millions of pounds to businesses peddling the scheme.

Together with a representative of the Ontario Provincial Police, we visited TSDs across the country to raise their awareness of the scam and explain measures being taken to tackle it.

More generally, we contributed to coordinated enforcement action, known as Operation Roaming Charge, taken by the authorities in the USA and Canada against perpetrators of telemarketing fraud including the Canadian lottery scam and advance-fee loan scams. To support the operation, we provided evidence gathered from UK victims. In October 2004, Operation Roaming Charge led to more than 135 arrests.

### Swiss-based scams

Acting on information from the OFT, the authorities in Switzerland closed PO boxes being used by more than 40 companies in scams targeting UK consumers. Many of the schemes concerned prize draws, sweepstakes, lotteries and so-called 'psychic letters'.

### Scams by spam

In February 2005, we joined forces with 70 other law-enforcement agencies around the world to identify sources of scams communicated by spam (unsolicited e-mails). Spam is frequently a vehicle for fraudulent lotteries, prize giveaways and loan deals, and illicit sales of pharmaceutical products and 'miracle' health cures.

The internet sweep was carried out in collaboration with our partners in the International Consumer Protection and Enforcement Network (ICPEN) and the signatories to the anti-spam London Action Plan (LAP). The results were used by the signatories of the LAP to develop their plans to combat spam.

> ***The London Action Plan: page 41***

> ***ICPEN: page 40***

### Scams Awareness Month

In February 2005, we launched Scams Awareness Month, a publicity campaign to alert consumers to deceptive and fraudulent mass-marketed scams. Other ICPEN members conducted parallel awareness campaigns in their jurisdictions.

> ***Scams Awareness Month: page 72***

### Credit

The range and complexity of credit products means there is significant scope for consumers to be exploited by unscrupulous traders in this multibillion-pound market.

During 2004-05, we took enforcement action against traders who infringed consumer credit laws and issued guidance to businesses to improve compliance. Meanwhile, we continued to press for changes in consumer credit law.

#### Misleading credit advertising

In June 2004, we carried out a review of credit advertising in Scottish national newspapers and later in the year supported 13 trading standards regional groups in a review of UK regional newspapers.

In our work on national newspapers, we found that 33 per cent of advertisers failed to comply with consumer credit advertising regulations. Breaches included:

- omitting the APR (where required by law) or failing to give it due prominence
- advertising credit agreements as 'interest-free' when in fact borrowers are liable to interest charges should they fail to pay off the full sum by a specified date
- failing to give the required information on certain charges
- using very small print.

Following our review, we secured undertakings from 11 advertisers, including mortgage brokers and non-status lenders. More than 30 advertisements were changed or withdrawn as a result.

Meanwhile, TSDs took action against regional newspaper advertisers breaching the legislation. We ran training sessions for TSDs to help them enforce the regulations, provided casework support and took on cases of national importance.

Our approach to the problem of unlawful credit advertising also involved briefing newspaper publishers about what they needed to do to comply with the law on credit advertising and their liability for accepting advertisements that do not comply.

#### New credit advertising regulations

New regulations governing the advertising of consumer credit came into force on 31 October 2004. The Consumer Credit (Advertisements) Regulations 2004, enforced by the OFT and TSDs, clarify what information should be included in different types of advertisement to enable consumers to compare products more effectively.

To help businesses understand the new rules, we issued guidance documents. Following a consultation exercise, we published answers to frequently asked questions (FAQs) in October 2004. Aimed at larger companies, trade bodies and TSDs, the FAQs highlight our interpretation of key elements of the regulations. We also worked with the Local Authorities Coordinators of Regulatory Services to produce a more general guidance booklet for smaller traders.



## Licensing

Under the Consumer Credit Act, businesses involved in consumer credit or hire must have a consumer credit licence. The OFT protects consumers by monitoring the fitness of those holding or applying for licences.

We stepped up licensing action in 2004-05, carrying out a total of 2,088 actions (2003-04: 1,812), including issuing 130 notices to applicants and licensees about their fitness to be granted, or to retain, a licence (2003-04: 111) and 278 warning letters (2003-4: 218). Fifteen licences were revoked (2003-04: 21) and 48 licences refused (2003-04: 31). A further 985 applications did not proceed following further enquiries to the applicant (2003-04: 811) and 632 applications were withdrawn (2003-04: 620).

Offences taken into account in the refusal and revocation of licences included convictions for supplying drugs, blackmail, false accounting, possession of an offensive weapon, unlawful wounding and handling stolen goods.

## Debt collectors

Having issued guidance to debt collectors in 2003-04, setting out their responsibilities as holders of consumer credit licences, we focused attention on this sector in 2004-05. Our licensing action against debt collectors included issuing 48 warning letters (35 of which warned recipients about non-compliance with the guidance) and eight Minded to Revoke notices.

We also visited Citizens Advice Bureaux and other agencies providing money advice to raise awareness of our debt-collection guidance and practices we considered to be unfair.

We will be conducting a formal review of compliance with the guidance during 2005-06.

## Reform of credit law

We welcomed the Consumer Credit Bill which, together with other new regulations governing credit advertising and the provision of information to consumers about credit agreements, will modernise consumer credit law. In particular, we endorsed measures in the Bill to:

- strengthen the OFT's powers by introducing the option of placing conditions on licences and sanctions against those who fail to comply with those conditions
- create an alternative dispute resolution scheme for credit
- replace the current extortionate credit provisions so that unfair credit relationships can be more effectively challenged through the courts.

As the lead regulator in the credit market, we worked closely with the Department of Trade and Industry (DTI) on all aspects of the Bill. We also worked with the DTI on new regulations covering advertising, the form and content of credit agreements, the rules governing the early settlement of agreements and the provision of pre-contractual information.

## Modernising our licensing bureau

We continued our work on a long-term project to upgrade the computer systems used by our Consumer Credit Licensing Bureau. The new system, due to be launched in 2006, will allow more effective and efficient fitness checking of licence holders and applicants.

> **OFT reference of the supply of home credit to the Competition Commission: page 67**



### Estate agency

#### Enforcement action

The OFT became increasingly active in the estate agency market. We carried out 300 investigations of the fitness of agents to carry out estate agency work (2003-04: 229 investigations) and took formal action involving the issue of notices warning or banning agents in 14 cases (2003-04: nine formal actions).

During the year, we used our powers under the Enterprise Act to clamp down on unlawful practices in the market. In the first instance of the OFT securing statutory undertakings from estate agents under the Act to change their behaviour, Philip Johnston and Company Ltd and one of its staff undertook to be more transparent in their dealings with consumers, for example by notifying clients of all offers promptly, and in writing, and by disclosing when they have an interest in the sale.

We also used our Enterprise Act powers against a trader in his capacity as a lettings agent. Darren Russell, who traded as Homes Direct, undertook not to act in breach of contracts for the supply of lettings and property management services; not to use or enforce certain unfair contract terms and not to publish certain misleading advertisements.

At the end of the financial year, a number of other investigations under the Act were at an advanced stage.

Our enforcement action included making a Warning Order against Elliott & Partners Ltd for various breaches of the Estate Agents Act. This was the first time we had made a Warning Order against an estate agency business as opposed to an individual estate agent.

Many of our investigations were aided by information and support received from TSDs. We also developed our working relationships with industry bodies such as the National Association of Estate Agents and the Ombudsman for Estate Agents Ltd.

#### Legislative change

We participated in a steering group run by the DTI which considered possible amendments to the Estate Agents Act following the OFT study of the estate agency market.

#### Guidance

We launched an education programme for the industry to outline the current legal responsibilities of estate agents and proposed legislative changes. We gave presentations to four large estate agency chains, each attended by agents and senior company representatives. We also ran regional seminars for local estate agents and trading standards officers.

## Other key cases

### Care homes

Ten care home providers, running more than 800 care homes and providing around 50,000 places, gave undertakings that they would change standard terms in their consumer contracts that we believed were potentially unfair.

We approached the providers, including BUPA, Southern Cross Healthcare Ltd and Four Seasons Health Care (UK) Ltd, after Age Concern sent us a number of care home operators' contracts it believed were unfair on residents.

### Land of Leather

Furniture company Land of Leather agreed to give consumers a fairer deal after we intervened. We approached Land of Leather after Kent TSD alerted us to terms in the company's contracts that gave unequal cancellation rights, disclaimed liability for employees' oral statements and sought to restrict liability for faulty goods.

In addition, Land of Leather was advertising credit deals as 'interest free' when in fact interest accrued from the beginning of the agreement if the whole balance was not paid off within a specified period. We considered this to be misleading.

Land of Leather signed undertakings that it would no longer use the unfair terms, would amend its credit advertising and would not breach certain terms implied by the Sale of Goods Act 1979.

### Misleading advertisements of closing down sales

National high street clothing retailer Basebuy Ltd, trading as Eisenegger and Foxhole, undertook that it would no longer publish advertisements which gave the misleading impression that prices had been reduced as part of a closing down sale. The retailer had used advertising in its shop windows stating: 'Closing down prices – absolutely everything reduced'. We believed these advertisements were misleading as they gave the impression that prices had been reduced in order to clear stock before closing down; in fact, there was no evidence that the stores were closing down.

### Holiday caravan parks

Potentially unfair contract terms used in holiday caravan parks in the south of England were amended after our intervention. Dr Peter Leslie Pratt signed undertakings on his own behalf, and on behalf of two related companies in 2002, not to use or rely on terms we considered to be unfair, but we were advised these undertakings had been breached during 2004. We requested that Dr Pratt and the related companies revise the unfair terms and they agreed to do so. Any further use of the unfair terms by Dr Pratt or the companies is likely to lead to court action.

### Timeshare company

Under pressure from the OFT, Spanish timeshare company One World Holiday Club pledged to market its products fairly.

We had received numerous complaints that the company was selling unfairly by making misrepresentations. In addition, consumers attending some presentations were asked to sign documentation that, without their knowledge or understanding, committed them to buying accommodation.

One World Holiday Club, its parent company International Holiday Marketing Limited, and director of both companies, Paul Porter, signed undertakings that they would describe their products clearly and would not make misleading or inaccurate representations or use harassment, coercion or undue influence in marketing them.

### Holiday clubs

A leading Spanish holiday-clubs supplier agreed to give consumers a fairer deal following action by the OFT. Designer Way Vacation Club SA (DWVC), a Spanish company forming part of the Timelinx Group, and its marketing agents, undertook to use clearer contracts and give consumers a seven-day cooling-off period during which they may cancel the contract. DWVC has 25,000 members and eight authorised marketing agents operating from 15 'sales decks' mainly in the Costa del Sol, the Canary Islands and the UK.

### Other key guidance documents

Issuing guidance to businesses on the application of consumer laws is one of the main ways we improve trading practices. It also enables us to take speedier and more effective enforcement action where there is non-compliance with the legislation.

### General unfair terms guidance

In March 2005, we issued revised general guidance to consumer advisers on the application of the Unfair Terms in Consumer Contracts Regulations (UTCCRs).

### Home improvements

We published guidance designed to reduce unfairness in consumer contracts for home improvements such as double glazing, kitchen and bathroom installation and landscape gardening. Aimed primarily at suppliers in the sector, it represents our views in the light of recent complaints and explains the basis on which we are likely to take enforcement action.

### Holiday caravans

In October 2004 we consulted on draft guidance that reminds owners of holiday caravan parks of their responsibilities under the UTCCRs. We had received numerous complaints from consumers about terms that permitted variations to agreements, restricted the sale of second-hand caravans and allowed unrestricted increases in pitch fees.

### Online healthcare shopping

Following a sweep of internet sites advertising healthcare products, we published on our website guidance for consumers thinking of buying such products online. In conjunction with this, we warned a number of advertisers who were not fully complying with relevant consumer legislation.

> **Guidance to consumers: [www.offt.gov.uk/Consumer/Your+Rights+When+Shopping+From+Home/Online+health+products](http://www.offt.gov.uk/Consumer/Your+Rights+When+Shopping+From+Home/Online+health+products)**

### Domestic coordination

Part 8 of the Enterprise Act gives the OFT a central role in coordinating enforcement action against traders breaching certain key consumer laws.

We continued to train our enforcement partners in the use of Part 8 by running more than 100 training seminars. A representative from all 204 TSDs and each of the designated enforcers attended at least one of these events.

To support enforcers taking action under Part 8 for the first time, we produced an explanatory CD-ROM and made available sample warning letters and templates of documents required for court action. We also gave ad hoc advice to TSDs on more than 350 cases.

We began negotiating memoranda of understanding on coordinated action and information sharing with other enforcers including the Financial Services Authority, the Information Commissioner, Ofcom, Ofgem, the Civil Aviation Authority and the Medicines and Healthcare Products Regulatory Agency.

### Consumer regulations website

By the end of 2004-05, the designated enforcers and 80 per cent of TSDs had signed up to the consumer regulations website (CRW), an information-sharing website that enables the enforcement community to notify the OFT of intended action under Part 8 of the Enterprise Act as required, and helps enforcers identify persistent offenders and priority sectors and take coordinated enforcement action. During the year, we ran training sessions for CRW users and developed a CD-ROM to advise them how to make the most effective use of the site.

> **[www.crw.gov.uk](http://www.crw.gov.uk)**



### International cooperation

#### Cooperation regulation

We began preparing for the new Regulation on Consumer Protection Cooperation, which comes into force in December 2006.

The regulation requires European Union (EU) member states to have a national consumer protection authority with minimum investigatory and enforcement powers and obliges national authorities to act against traders in their jurisdiction even if they are targeting consumers in another EU country. It also makes it easier for authorities to exchange information, subject to confidentiality rules. The regulation is an important advance in international consumer protection and we look forward to using the powers it will provide.

> [www.europa.eu.int/comm/consumers](http://www.europa.eu.int/comm/consumers)

#### ICPEN

In August 2004, the OFT took over presidency of the International Consumer Protection and Enforcement Network (ICPEN) and its European sub-group, CPEN Europe.

Under the OFT presidency, we hosted two ICPEN conferences at which key international consumer protection issues were discussed.

We also worked with ICPEN members on two internet sweeps to identify unlawful internet-based marketing practices. In the first, we joined up with 13 other ICPEN members to scour the internet for illegal and misleading mobile phone service adverts aimed at children. The second sweep targeted unsolicited emails peddling mass-marketed scams (see page 32).

> **ICPEN:** [www.icpen.org](http://www.icpen.org)

### Action plan on spam

The OFT took a lead role in the fight against spam. Together with the US Federal Trade Commission (FTC), we hosted a conference to bring together consumer protection, data protection and telecommunications agencies from around the world to promote cooperation on spam and related problems such as computer viruses, modem 'hijacking' and fraud.

At the conference, an international agreement to cooperate on enforcement action, known as the London Action Plan (LAP), was endorsed by 19 bodies from 15 countries.

> ***OFT action against spam used to perpetrate scams: page 33***

### OECD guidelines

The OFT is a signatory to guidelines approved by members of the Organisation for Economic Cooperation and Development (OECD) for increased international cooperation to combat fraudulent and deceptive cross-border trading practices. During 2004-05, we established new intelligence-sharing protocols with the Canadian Competition Bureau, the Australian Competition and Consumer Commission and the FTC. These measures formalise existing arrangements for exchanging complaint and investigation data in order to speed up cross-border enforcement action.

> ***[www.oecd.org/sti/crossborderfraud](http://www.oecd.org/sti/crossborderfraud)***

### Building relationships

As part of our international consumer enforcement action and to help share best practice with our counterparts overseas, we hosted delegations from the European Commission and from 11 countries including several EU member states, Japan, Korea, Indonesia, South Africa, the US and Canada.

### Shaping consumer laws

#### Unfair Commercial Practices Directive (UCPD)

We worked alongside the DTI to help shape the European Commission's framework directive on Unfair Commercial Practices, which will introduce a principles-based consumer protection regime. We welcome the UCPD's proposed imposition on businesses of a general duty not to trade unfairly and its prohibition, in all circumstances, of certain commercial trading practices. This will make it more difficult for rogue traders to get around the law by redefining what they do.

We advised the DTI on the directive's likely implications for practical enforcement actions. We were keen to make sure it would specifically prohibit certain practices we believe cause significant harm to UK consumers.

The UCPD is a maximum harmonisation measure, meaning that member states must ensure that their domestic law, within the scope of the directive, does not go beyond its provisions. The directive was adopted on 18 April 2005 and we expect it to be implemented by 2007.

> [www.europa.eu.int/comm/consumers](http://www.europa.eu.int/comm/consumers)

### Consumer detriment research

We commissioned research to gain a better understanding of the causes and effects of consumer detriment so that we can better prioritise our casework.

The research examined the main causes of detriment and the reasons why some consumers are unable to make informed choices.

The project included groundbreaking psychological research which is helping us understand the behavioural processes of purchase transactions and the characteristics of consumers who are most susceptible to detriment.

We began using the initial findings of the research in our allocation of resources, particularly in our consumer education. We will take the research forward with various stakeholders, including regulators, and will share the findings with the OECD and the European Commission, both of whom are carrying out related research. We aim to report our findings later in 2005-06.