



Summary of casework

**Yet again motor dealers
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consumer credit licences
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refused**

Summary of casework



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Below are summaries of casework carried out by the OFT in the broad work areas already outlined in Part 2. Where there are fuller details on particular cases in other parts of the report the relevant page numbers are given.

The Competition Commission is referred to by the shortening 'CC' throughout the chapter.

Action on consumer credit

CONSUMER CREDIT ACT 1974

In 2000, 16,716 new licences were issued (down 10 per cent on 1999), 35 applications were refused and 31 licences were revoked (compared with 30 and 25 respectively in 1999). 570 individuals withdrew their applications when challenged by the OFT. Yet again, motor dealers accounted for the largest number of licences revoked and applications refused, followed by debt collectors.

For more details, see Annexe B, page 101.

Enforcement of consumer law

UNFAIR TERMS IN CONSUMER CONTRACT TERMS REGULATIONS 1999

In 2000 the OFT received a total of 1,205 complaints compared with 1,359 in 1999. At the end of the year, 758 terms had been abandoned or amended as a result of enforcement action. The most commonly used unfair terms are those excluding or limiting liability for shortcomings in the quality of goods or services. Unfair price variation clauses, financial penalties, and cancellation clauses are also common.

Milestone cases

During the year the OFT's Unfair Contract Terms Unit was involved in pressuring a wide range of traders and industry bodies to revise unfair terms in their consumer contracts. Some of the most significant cases the Unit was involved in were:

- IATA p40
- B&Q and MFI p45
- NTL p55
- First National Bank p34
- banks and building societies p35
- PC retailers p53
- package holiday operators p41
- landlords and estate agents p38

Undertakings given

25 May	Cable London plc (now owned by Telewest Communications plc)
28 May	First Micronics Ltd (directors)
15 June	First Micronics Ltd (company)
31 July	Watford Electronics Ltd
15 August	Paragon Group of Companies plc
14 September	Micro Anvika Ltd (director)
25 September	Micro Anvika Ltd (director + company)
1 October	Micro Anvika Ltd (director)

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Court order granted

3 February	First National Bank (see p34)
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ESTATE AGENTS ACT 1979

In 2000 the OFT's Adjudicating Officers (those appointed by the Director General to act on his behalf) notified five people that the issuing of prohibition orders against them was under consideration. There were no new proposals to issue warning orders. Four notices of total prohibition came into force, as well as one warning order (relating to a case carried over from the previous year). One person received a favourable decision allowing them to continue in estate agency work. From 3 May 1982 (the date the Act came into effect) up to 31 December 2000, a total of 266 people had been prohibited from doing estate agency work under the Act.

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When a notice of proposal has been issued against an individual the OFT may, in lieu of making a prohibition order, accept undertakings from that person not to engage in estate agency work. However, during the year 2000, no such undertaking was accepted (the total number of undertakings accepted under the Act since 3 May 1982 thus remains unchanged at 84).

Erratum note for the OFT Annual Report 2000 - October 2001

In the table of prohibition orders under the Estate Agents Act 1979 below, RTA (Business Consultants) Ltd is shown as the subject of a Prohibition Order which came into force on 3 May 2000. This is not correct. The entry should be disregarded. RTA (Business Consultants) Ltd has not been the subject of a Prohibition Order.

Prohibition orders

Orders against which there was no appeal

Date order came into force	Name
16 February	Mark Frederick Cooper
21 February	Matthew Parsons
1 March	James Anthony Edward O'Malley
1 March	Stephen Robert Bowman
3 May	RTA (Business Consultants) Ltd (see erratum note above)

Warning orders

Date order came into force	Name
15 April	Brian Robinson



CONTROL OF MISLEADING ADVERTISEMENTS REGULATIONS 1988

In 2000, the OFT received complaints about 87 cases of alleged misleading advertisements compared to 82 in 1999. During the year, five businesses gave undertakings to the OFT to alter or cease publication of advertisements.



Undertakings given

Date of undertakings	Case	For summary see page
21 January	Advantage Mortgage Services Ltd	p37
26 September	Philip Brodie	no summary
7 October	Dragica Brodie	no summary
7 October	Clockwork Orange Ltd	p44
23 October	Lesley Vivienne Lindlay t/a Your Right To Buy (South West)	p37

FAIR TRADING ACT 1973 – PROBLEM TRADERS

In 2000, four traders gave assurances to the OFT about their future conduct, under Part III of the Fair Trading Act.

Assurances given by traders persistently in breach of their obligations

12 May	PMS International Group plc
3 November	Surjit Singh Sachdeva, a director of Academy International plc
3 November	Harjit Singh Sachdeva, a director of Academy International plc
22 November	Academy International plc

Research

FAIR TRADING ACT 1973 – PROBLEM SECTORS

In 2000, the OFT published the results of an inquiry into car servicing and repairs – see page 20.

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Cartels and market power

COMPETITION ACT 1998

Eleven enterprises filed notifications with the OFT under the Competition Act – seven were notifications for a decision and four were for guidance. Guidance was provided in eight cases, including a number of those notified under the early guidance provisions prior to 1 March 2000. Neither notifications for guidance nor the guidance given are published. However, summary details of notifications for decision are available on the OFT's Public Register of Competition Act cases.

Notifications for a decision under the

Competition Act

Date of registration	Case
2 March	MasterCard/Europay UK Ltd
11 May	Link Interchange Network Limited
20 July	The General Insurance Standards Council
3 August	The British Horseracing Board and The Jockey Club
22 September	The Society of Film Distributors
22 November	BSkyB/NTL channel supply agreement
6 December	Memorandum of understanding on the supply of oil fuels in an emergency

FAIR TRADING ACT 1973 – COMPLEX MONOPOLIES

Undertakings given

Date	Case	For summary see page
16 February	Birds Eye Wall's Ltd	p50

Monopoly reports by the CC in 2000 resulting from OFT references

Date of publication of CC report	Case	For summary see page
January	Supply of Impulse Ice Cream	p50
April	New Cars	p42
October	Supermarkets	p49
December	Scottish Milk	p49

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Action on earlier CC monopoly reports

Date of publication of OFT advice	Case	For summary see page
December	The supply of beer	p51

Reviews of monopoly undertakings and orders

Date of completion	Case	For summary see page
July	Petrol	p44
October	White salt	p48
–	Yellow Pages	p55

Summary of casework *(continued)*

RESALE PRICES ACT 1976

There is only one case outstanding under this now-repealed law – medicaments. See page 52.

Mergers

Below are listed the main OFT mergers cases during 2000 with page references for case summaries. For an overall statistical analysis see annexe C.

MERGER REFERENCES TO THE CC

In 2000, the Secretary of State made 14 merger references to the CC under the Fair Trading Act, four more than in 1999 and six more than in 1998. All the references were made in accordance with the advice of the Director General and all of them were made on competition grounds.

The 14 merger references to the CC were:

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Date of reference	Case	Outcome	For summary, see page
8 February	Carlton/UNM	Report published – see below	
25 February	Granada/Carlton	Report published – see below	
25 February	Granada/UNM	Report published – see below	
2 May	Air Canada/Canadian	Report published – see below	
1 June	Sylvan/Locker	Report published – see below	
12 June	BUPA/CHG		
8 August	BUPA/CHG/Salomon		
	CHG/Salomon	Report published – see below	
17 July	Nutreco/Hydro	Report published – see below	
7 September	Interbrew/Bass	Inquiry ongoing at end 2000	Part 3, p52
2 October	Grundfos/Myson	Laid aside	annexe C, p114
20 November	Adtranz/Railcare	Laid aside	annexe C, p114
24 November	CAIK/Icopal	Inquiry ongoing at end 2000	annexe C, p114
15 December	BASF/Takeda	Inquiry ongoing at end 2000	annexe C, p115
21 December	City Technology/Marconi	Inquiry ongoing at end 2000	Part 3, p47

UNDERTAKINGS IN LIEU OF A MERGER
REFERENCE TO THE CC

In 2000, there were eight cases which resulted in undertakings being given to remedy the adverse effects of a merger in lieu of a reference to the CC:

Date of undertakings	Case	Outcome	For summary see page
8 February	Anglo American/Tarmac	Undertakings given	Part 3, p46
28 March	ARRIVA/MTL	Undertakings given	Part 3, p42
6 April	Hanson/Pioneer	Undertakings given	Part 3, p47
19 April	Granada/Rental Holdings	Undertakings given	Part 3, p53
17 August	Gala/Riva	Undertakings given	annexe C, p115
4 September	Thomson/Racal	Undertakings given	annexe C, p115
18 September	National Express/Prism	Undertakings being negotiated at end 2000	annexe C, p115
12 October	BSkyB/BiB	Undertakings being negotiated at end 2000	annexe C, p116

Summary of casework *(continued)*

CC MERGER REPORTS PUBLISHED

The CC published nine merger reports in 2000:

Date of report	Case	Outcome	For summary, see page
19 January	Alanod/Ano-Coil	Undertakings given	Part 3, p47
19 January	CHC/HSG	Cleared	annexe C, p116
22 March	CWC/NTL	Cleared	Part 3, p55
18 April	Vivendi/BSkyB	Cleared	annexe C, p116
14 July	Granada/Carlton	Cleared	
	Granada/UNM	Cleared	
	Carlton/ UNM	Carlton indicated that it would not proceed with the merger on the terms approved by the Secretary of State	Part 3, p56
31 August	Air Canada/Canadian	Cleared	annexe C, p117
2 November	Sylvan/Locker	Undertakings being negotiated at end 2000	Part 3, p47
7 December	BUPA/CHG/Salomon	Undertakings being negotiated at end 2000	Part 3, p37
22 December	Nutreco/Hydro	Undertakings being negotiated at end 2000	annexe C, p117

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ACTION ON EARLIER CC MERGER REPORTS

One set of undertakings was given:

Date of undertakings	Case	Outcome	For summary see page
7 February	ARRIVA/Lutonian	Undertakings given	Part 3, p42

Restrictions on competition

FINANCIAL SERVICES ACT 1986

Two bodies applied for UK recognised investment exchange status during 2000:

COREDEAL

The Director General reported to the Treasury in April on the rules of COREDEAL Ltd which had applied for UK recognised investment exchange (RIE) status. The OFT's concerns over certain rules were addressed by assurances given by COREDEAL. The OFT concluded that, on the basis of the current evidence and the assurances given, the rules did not appear likely to have significant anti-competitive effects.

Jiway

The Director General reported to the Treasury in October on the proposed rules of Jiway which had applied for RIE status. The OFT concluded that the rules did not appear likely to have significant anti-competitive effects.

COURTS AND LEGAL SERVICES ACT 1990

During the year the Director General issued three pieces of advice to the Lord Chancellor on the effects on competition of the rules of certain legal bodies:

Rights of audience

The Director General advised the Lord Chancellor in March that amendments the Bar Council proposed to the Code of Conduct relating to rights of audience for employed barristers and to pupillage were unlikely to cause any significant competition concerns.

Amendments to the Guide to the Professional Conduct of Solicitors and the Higher Courts Qualifications Regulations

The Director General advised the Lord Chancellor in May that amendments the Law Society proposed to the Guide to the Professional Conduct of Solicitors and Higher Courts Qualifications Regulations were unlikely to cause any significant competition concerns.

Summary of casework *(continued)*

Consolidated Regulations of the Inns of Court

The Director General advised the Lord Chancellor in June that amendments to the Consolidated Regulations of the Inns of Court would, with certain qualifications, tend to enhance competition, depending on how the relevant Bar authorities exercised their discretion to interpret and implement the changes.

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PACKAGING WASTE REGULATIONS

In January 2000, the Director General published reports on four schemes examined and cleared under the Regulations in November and December 1999: Toddpak, Impact, Foreman Recycle Pak and Betapak.