

Minutes of the Office of Fair Trading Board Meeting

Thursday 7 May 2009

Present:

Philip Collins (Chairman)
John Fingleton (CEO)
Lord Blackwell
Jonathan May
Vivienne Dews
Frédéric Jenny
Alan Giles
James Hart
Tony Lea
Philip Marsden

OFT Staff:

Barney Wyld
Claire Craig
Frances Barr
Nigel Cates, Cavendish Elithorn, Claire Hart, Ali Nikpay, Colin Brown, Heather Clayton, Amelia Fletcher (Item 1)
Alastair Mourdant, Ian Windle, Amelia Fletcher, Heather Clayton (Item 2)
Mary Starks, Simon Nichols, Heather Clayton (Item 3)

Executive Office:

Carissa Roberts (Acting Board Secretary)
Erik Wilson

Item 1: Topical Issues

The Chairman and CEO explained the change to the Board agenda to include the addition of a few short discussions on topical issues with key staff at the start of the meeting. The usual ExCo report discussion and the draft Annual Plan would be covered at the end of the meeting. The purpose of the change is to update and discuss with the Board, significant, fast-moving topical issues that need more substantial discussion than is possible under the ExCo report.

The issues discussed were:

Credit

The Board were updated on recent developments and issues likely to impact on the work of the OFT.

Personal Current Accounts test case

The Board was updated on recent developments and the key issues reaffirming the importance of this work.

The Board agreed this **Digital Britain and online consumer protection** work is an excellent initiative to develop the OFT's consumer protection remit in the light of technological developments. The Board noted the challenges given the lack of geographical boundaries inherent in internet transactions, and the need for the OFT to develop and maintain knowledge and skills about online consumer protection and enforcement. The Board expressed the view that the OFT can add value through coordinating thinking and effort by other interested organisations, and taking a lead role in articulating the issues and examining potential solutions.

Item 2: Review of the local and regional media merger regime

The Board was updated on the review and discussed the draft key findings and recommendations.

Item 3: Market Study

The Board commended the team on the speed at which the project was progressing, and the balanced analysis provided to the Board. The Board will be updated again at the June meeting.

Item 4: ExCo oral and written report to the Board (PART II)

CEO

Annual staff event

The annual staff event was held last week and the feedback has been that it was the best staff event to date. The first half focused on improvements to internal services, celebrating achievements over the past year, and the merit awards. The second half was more forward-looking, and presentations were given on strategy and consumer education and from John Cridland of the CBI, and Gareth Thomas, Minister for Consumer Affairs and Competition. The CEO concluded the event by discussing the impact of current events (such as the recession) on the OFT's work, and by commending various initiatives over the past year to achieve efficiency savings, for example, in the way in which the OFT deals with stakeholders, our approach to settlement policy, and in saving space in Fleetbank House. He also highlighted the importance of growth and efficient utilisation of talent, agility, and joining up consumer-related work. He left staff with key messages, or calls for action: to think about how they contribute to the overall OFT mission, to manage themselves, their own career, and others in order to contribute to the progress of the organisation.

Executive Director, Markets & Projects and Policy & Strategy

Second-hand cars market study

This had been launched today.

Executive Director, Corporate Services

Budget

The Board noted the under-spend on the OFT budget. This is larger than expected due in part to the late decision on reclaiming of VAT on Consumer Direct, but mainly attributed to forecasting issues. We will work to improve the accuracy of forecasting in future.

Chancellor's Budget

Two broad public sector points were raised in the Budget of relevance to OFT: i) an overall review of public spending will be conducted; ii) an operational efficiency programme will be carried out, for example, through examining back-office and IT systems.

Consumer Direct

The process of implementing the interim solution (extending contracts) has begun; bids have been received and are being reviewed.

General Counsel

- Following the Court of Appeal judgment in the Personal Current Accounts test case, the date for the appeal to the House of Lords has been set for 23-25 June.
- The judicial review action by Crest Nicholson in relation to the construction case has commenced.
- The judgment in the Foxtons case is not expected for another two to three months.

Director Communications

- The OFT's financial services strategy was launched and had resulted in follow-on coverage in the press.

Chairman

The annual inspection by the Office of the Surveillance Commissioner of our use of Regulatory and Investigatory Powers Act powers has taken place. We await the Inspector's report.

Comments on the Executive Report

The Board noted the report.

Draft Annual Report

The Board provided some general impressions, especially around the use of terminology in the light of the various audiences of the Report, the impact of the

financial crisis, the relative emphasis given to enforcement actions and the estimation of impact above the Her Majesty's Treasury target of 5:1.

It was noted that the financial crisis would be highlighted in the introduction to the annual plan, and that there are different ways of packaging the information for different target audiences.

Review of live topics agenda items

The Board agreed that the addition of the live topics discussions to the agenda was useful, and that time should be set aside on future agendas for a similar purpose.

Item 5: Minutes of the Board meeting (1 April) OFT (09) 4th minutes and below the-line items

The Board approved the private and public minutes of the last meeting subject to minor amendments.

Carissa Roberts
Acting Board Secretary
11 May 2009