

Minutes of the Office of Fair Trading Board Meeting

Thursday 6 March 2008

Present:

Philip Collins (Chairman)
John Fingleton (CEO)
Jonathan May
Sean Williams
Allan Asher
Lord Blackwell
Bronwyn Curtis
Alan Giles
Frederic Jenny
Richard Whish

OFT Staff:

Frances Barr
Anna Benedicic
Stephen Blake
Sonya Branch
Heather Clayton
Karman Gordon
Antoinette Graves
Deborah Jones
James MacBeth
Jonathan May
Ali Nikpay
Sarah Northam
Christine Wade
Simon Williams
Barney Wyld
Omar Yaqub

Executive Office:

Erik Wilson
Carissa Roberts (Secretary)

In attendance:

Vivienne Dews

Item 1: Minutes of the last meeting (7 February) OFT(08)2nd minutes

The minutes of the last meeting were approved subject to minor amendments to Items 4 and 5.

Item 2: Market study

The Board was updated on progress made in an ongoing market study.

Item 3: Settlements

The team provided the Board with a supplementary paper to address the points raised by Board members following the paper tabled at last meeting. Ali Nikpay explained to the Board the policy position on settlements and financial penalties.

The settlements team have consulted senior staff on settlements and financial penalties. As settlements are part of an evolutionary process, the team will continue to discuss practical issues and principles with teams across the office over the next year. The settlements team and colleagues from the office of the Chief Economist can provide advice and scrutiny to ensure cross-office consistency

Item 4: Work of the Markets and Projects Cartel Group

The Board was provided with a presentation from senior staff of the Cartels Group which covered a stock-take of current projects and resources, and an outline of the 'manifesto' for the next 12 months.

Achieving the right balance between criminal and civil, and national and international enforcement is a key strategy for the Group. The Group is looking to balance high impact cases with coverage of the UK economy. Deterrence effects tend to be better with a regular flow of cases and thus, the Group hopes to identify cases involving small and medium sized enterprises (which are typically more manageable than cases involving large companies), through the recently introduced informant reward programme.

Simon Williams confirmed that the Group will use speaking opportunities to remind practitioners of the informant reward and leniency programmes, and advised the Board that large scale compliance campaigns within all sectors of the economy would be very resource intensive and could not be a priority given the private resources available for this task. It was agreed that more thought was needed as to how we can keep interest and awareness levels high.

In terms of the Consumer Protection Regulations, key challenges include finding a niche amongst high levels of mainstream fraud and developing a realistic work programme in light of the size of the Group. One of the Group's objectives is to develop a genuine cartels specialism, and share this expertise internally and externally through effective engagement.

Item 5: HR issues

The Board was provided with an update from Erik Wilson, Interim HR Director, on the performance and management issues of the Human Resources Group. The Board was also provided with new OFT resource data which would be updated and provided each month.

Erik Wilson advised that HR is now structured into teams to deliver specific services. HR staff remain very committed to improving the service they deliver, and what has been achieved in the last 4 months is a credit to their willingness to embrace change.

The Board welcomed the structure and content of the new resource data reports.

Item 6: ExCo report to the Board

Executive Director, Markets and Projects

Supermarkets

The submission on remedies to the Competition Commission has been prepared and will be submitted shortly.

Executive Director, Policy and Strategy

National Audit Office review

The Board was advised on developments in relation to the scope and timing of the proposed NAO review.

Private actions

The Board was updated on developments and discussions with various interested parties.

Director, Communications

Alcohol pricing and underage drinking

The Board was updated on discussions with Nigel Griffiths, MP on the application of competition law to any discussions between supermarkets to raise the price of alcohol as a means of combating underage drinking.

Interim Executive Director, Corporate Services

Consumer Voice

BERR and HMT have met to discuss funding for Consumer Voice. A further update will be provided in April.

Better Regulation

All government departments are expected to identify targets for reducing burdens on business. The OFT's simplification plan would deal with our regulatory functions in consumer credit licensing and anti-money laundering, but not our broader competition and consumer work. Assessments of the likely net benefit to consumers of our work are considered within the OFT's prioritisation process.

Thoresen review

The Thoresen review had recommended the establishment of a telephone-based generic financial advice service which would be established by the Financial Services Authority. The service would be funded by a proportionate levy on the financial services industry.

Market studies regime conference

This will take place on 4 June to coincide with the fifth anniversary of the implementation of the Enterprise Act.

Item 9: Points from Below the Line Items

Committee structure

The CEO advised that the new committee structure would support delegation of responsibilities and individual decision making. ExCo will review how the new structure is working next year.

Annual Plan 2008 – 09

No comments.

Item 10: Any other business

OFT/CC meetings

The Chairman reported on the follow-up to the recent Board/Council meeting and the preparation for the next meeting to be held in July.

Allan Asher

The Chairman noted that this was Allan's last Board meeting and thanked him on behalf of the Board for his valuable contribution to the Board over the past five years.

Christine Wade

The Chairman noted that Christine would be retiring at the end of March and thanked her for all work at the OFT.

**Carissa Roberts
Board Secretary (Acting)
7 March 2008**