

Minutes of the Office of Fair Trading Board Meeting

Thursday 6 April 2006

Present

Philip Collins (Chairman)
John Fingleton (CEO)
Allan Asher
Lord Blackwell
Christine Farnish
Rosalind Wright
Richard Whish

Board Secretariat

Erik Wilson
Steve Rayner

OFT Staff

Daniel Gordon
Gover James
Sarah Kaye
Rosie Aujla
Jonathan May
Mike Ricketts
Bart Smith
Vincent Smith
Christine Wade
Adrian Walker-Smith
Tim Wilson
Graham Winton

Item 1 Minutes from the last Board meeting (2 March) (OFT(06)3rd minutes)

The full and public minutes of the March meeting were accepted as true records.

The Board were invited to discuss the list, appended to the April agenda, of upcoming items for consideration to the board. The list was approved subject to the item 'CE caseload' being changed to 'OFT delivery' to reflect the synergy between divisional and OFT wide changes, and the addition of three items:

- SRO 07 - To be discussed at the May and June meetings
- CRED operational survey - To be discussed in May or June
- CCAS – To be discussed in June

The Board also asked for a progress report on Consumer Direct in July (see Item 6).

Item 2 Divisional Directors Reports

The CEO and Divisional Directors provided the Board with key updates on their respective areas:

CEO

Competition Regime

The quarterly Quadrilateral meeting with the CC, CAT, and DTI, attended by the CEO, focussed on the question of streamlining merger reform, possibly through a 3rd session bill in the current parliament.

The CEO attended two meetings with HMT. Vincent Smith will liaise with the CC to develop and discuss these issues further.

Corporate Services

Comprehensive Spending Review

OFT is required to submit terms of reference to HMT for the following reviews:

1. Back Office Costs (zero based)
2. Accommodation
3. Shared service solutions
4. Consumer functions (zero based)

Consumer Direct

Consumer Direct has now been transferred from DTI.

Internal Auditors

Chiene & Tait have been appointed as internal auditors following their clear success in the competitive tender.

CRE

Credit Card Default Charges

There has been close dialogue with the banks and APACS prior to and following the recent announcement on unlawful penalty charges. The announcement has produced a large amount of positive press coverage.

Home Computing Initiative

The HCI team have been extremely pressed to respond to requests following the sudden announcement in the Budget to scrap the initiative from 6 april.

Communications

Profile

The Supermarkets announcement achieved the highest amount of coverage achieved by the office for a single event, 90 per cent of which was positive. The Credit Card Default Charges announcement also attracted a very high level of positive coverage.

The OFT website was voted Times Website of the Week after the scams launch, with positive reactions to the interactive features such as quizzes.

The tracking exercise into the perception of the OFT by external stakeholders has revealed that impact has largely remained static over the past year.

Annual Plan/Annual Report

The annual plan was published at the end of March. Feedback is now being received in various forms and from various sources to which Comms are responding.

Work is underway on the Annual Report.

MPI

Supermarkets

Following the announcement of consultation on a possible reference to the CC, MPI has received over 1200 submissions from a wide range of organisations and individuals.

CE

Independent Schools

Acceptances have now been received from all 50 schools.

European Commission Green Paper - Private Enforcement

We are proposing to host a conference on Private Enforcement and will be preparing a response to the Commission' s consultation paper.

Item 3 Feedback from the Staff Event

Feedback from staff has largely been very positive. There appears to be a large degree of commitment from staff to the announcement of the proposed restructuring. It will be vital to retain the momentum that the change programme has so far achieved. The project team, named Beagle in a staff vote, is being put together, and work is already being done on the reassessment of resource areas.

Branch directors have received project management advice and will be attending away days on team building and change management.

Item 4 Market Studies Programme

The team were congratulated on the rich and diverse portfolio of current studies. The systematic approach to study selection was also commended as an example of best practice which should be adopted across the office after restructuring.

As an excellent opportunity to encourage engagement with OFT work, more work should be done to involve stakeholders in the process of selecting market study areas. Following the success of the Market Studies Selection Event, stakeholder consultations are planned on areas for improvement in the Market Studies programme, and to identify areas for study. These are to take place in both England and Scotland.

Market studies will begin to harness the data coming out of Consumer Direct, particularly in order to identify areas of consumer detriment that are endemic yet unchallenged by current methods of enforcement.

Further work on the selection of market studies is being undertaken and will return to the Board at a future date.

Item 5 Paysys

The Board noted the industry proposals for a limited company to take over governance of, and manage access to, payment systems.

The Board considered that before any agreement or support could be given to the proposal, detailed work would have to be carried out by the industry to develop the proposal.

Item 6 Consumer Direct

Consumer Direct has now been handed over successfully from DTI without affecting delivery. The CD team will report again to the July Board. Secretariat will arrange for Board members to be sent the list of the top ten complaints made to Consumer Direct in March, along with a list of addresses for CD offices.

Item 7 Consumer Voice

The Board paper provided a background to proposals for the DTI consultation. Liaison with the NCC, WCC, SCC, GCCNI, TSI and Citizens Advice suggests that the other consumer bodies will have broadly similar responses to that being developed by the OFT, namely that considerable work needs to be done before any decision is made.

The position in the paper was supported by the Board.

Item 8 Any other business

No other business was discussed.

Papers below the line:

The Board noted and approved the Management Accounting Information and Corporate Risk Register papers. (OFT(06)29 and OFT(06)30).

**Erik Wilson/Steve Rayner
Board Secretariat**