

Minutes of the Office of Fair Trading Board Meeting

Thursday 1 February 2007

Present

Philip Collins (Chairman)

John Fingleton (CEO)

Jonathan May

Allan Asher

Lord Blackwell

Richard Whish

Rosalind Wright

OFT Staff

Christine Cryne

Amelia Fletcher

Ray Hall

Brian McHenry

Lynn Parker

Siobhan Pointer

Renella Reumerman

Bart Smith

Vincent Smith

Natalie Timan

Christine Wade

Alan Williams

Executive Office

On Kong

Erik Wilson

**Item 1: Minutes from the last Board meeting (11 January)
(OFT(01)1st minutes)**

The Board accepted that the minutes were a true record.

Item 2: ExCo Report

The Executive provided the Board with key updates on their respective areas:

Chief Operating Officer

CSR 07 settlement

We are expecting from Treasury a formal offer of settlement in the week of 5 February.

Facilities

Our new Boardroom should be officially up and running by late February and the remainder of our new meeting facilities, including the café and reception area, should be complete by the end of March.

Consumer Credit Act licensing fees

We will be putting submissions to DTI and the Secretary of State early next week on revised Consumer Credit licensing fees.

PROMOD

The anticipated 'go live' date is now 26 February and we are 90 per cent confident about this.

Executive Director, Policy & Strategy

Meeting with BRE

A meeting between the Better Regulation Executive and Heads of Regulators had taken place on 30 January, where the BRE outlined its plans to assess regulators, including OFT, under the Hampton framework. This is likely to be conducted in the form of peer reviews, which are expected to take place by the summer.

Acting Executive Director, Markets & Projects

Prioritisation

At its recent Prioritisation Day, the Markets and Projects leadership team thought about what a balanced project portfolio should comprise and identified the following gaps on which to focus: research and development, market studies, strategic advocacy, productivity-based work, thought-leadership projects and consumer protection projects.

Pharmaceutical Pricing Regulation Scheme

The report is due to be published some time before 22 February when it will be discussed at a House of Commons event.

Assistant Chief Executive

Rogers Review

The Rogers Review will recommend five national priorities for local authority regulatory services. It was noted last week that the initial priorities identified by Rogers did not reflect those of Trading Standards. Philip Collins is meeting with Peter Rogers on 5 February to take this forward.

Regional Intelligence Network

The team will be using the national intelligence model to identify areas of consumer detriment to feed back into project work.

Director of Communications

Scams campaign

The new communications model is to empower intermediaries to deliver OFT messages rather than using resources on a one day campaign. The first instance of this is the Scams campaign. The team will be providing toolkits to the OFT's partner organisations to communicate the key messages arising from its scams research. The kit will include a DVD, copies of which were distributed.

Website

The new website will go live on 23 February. Any comments from the Board on the website are welcomed.

General Counsel

Cityhook

The hearing on Cityhook's appeal in relation to the OFT's case closure decision, had just taken place.

Item 3: Consumer Direct

The Board received an oral report on progress on Consumer Direct. The Board will be updated in July.

Consumer Voice

An implementation team will be set up to work towards the deadline of 1 April 2008, although we would like to propose a gradual handover over 2008-09

Item 4: Ongoing case

The Board noted progress in an ongoing case, and supported the decision of Chief Executive to continue pursue the case and to take decisions on its future course in the light of developments.

Item 5: Banking

Banking Codes review

The Board discussed and agreed with the proposed OFT contribution to the review which focuses on the need for improvement in competitiveness in the sector through enhancement of the existing framework rather than new regulation, particularly in respect of price transparency, as highlighted in the Competition Commission's investigation of banking in Northern Ireland.

Cross subsidies

Arising from the above discussion, the Board discussed the economic effects of cross-subsidies. It noted how cross-subsidies could be efficiency enhancing in some markets but efficiency distorting, and lead to unfairness to consumers, in other markets. Key issues were the competitiveness of the sector and price structures and transparency.

Item 6: HR current priorities and work plan

The Board noted the summary of current HR priorities, work plan and resources as approved by ExCo.

Item 7: Any other business

Future meetings

ExCo will bring a paper to the Board on governance in March. It will cover the role of ExCo and the Board and decision making in casework.

Appointment of the Executive Director Markets and Projects

The Board welcomed the appointment of Sean Williams to this post.

DTI Stocktake

DTI has decided that the OFT and Competition Commission's stocktake items should not be taken forward in the context of the upcoming LBRO legislative process

Papers below the line

Item 8: Management accounting information

The Board noted the information provided for the period ending 1 January.

Item 9: Payment Systems Taskforce

The Board noted the information provided.

On Kong/Erik Wilson

1 February 2007