

Minutes of the Office of Fair Trading Board Meeting

Thursday 2 March 2006

Present

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

Apologies

Christine Farnish

OFT Staff

Nick Beresford
Colin Brown
Sue Cook
Cavendish Elithorn
Daniel Gordon
Paul Gurowich
Amelia Fletcher
Ray Hall
Chris Jenkins
Brian McHenry
Jonathan May
Simon Priddis
Hannah Priest
Bart Smith
Vincent Smith
Simeon Thornton
Jody Whitehorn
Graham Winton

Board Secretariat

Erik Wilson
Francesca Seymour (Board Secretary)

Item 1 Minutes from the last Board meeting (9 February) (OFT(06)2nd minutes)

The minutes of the last meeting were accepted as a true record.

Item 2: Divisional Directors Reports

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

CEO

Staff appointments

The CEO advised that Ann Pope has been appointed as Head of the Preliminary Investigations Unit.

Forthcoming meetings

The CEO is due to attend a quadrilateral meeting with DTI, HM Treasury and the Competition Commission (CC).

Corporate Services

Comprehensive Spending Review (CSR)

Draft terms of reference in relation to the "zero-based" review of back office functions have been sent to HM Treasury. This does not include anything on consumer issues.

Fleetbank House

The COO reported on the landlord's intended application for planning permission.

Communications

Media coverage

There has been good coverage on Scams throughout the month, and this message needs to be sustained. Rosalind Wright advised that she and Mike Haley had been interviewed by Turn on TV on scams issues, which may encourage further coverage.

Good coverage had also been received on the Boots/Unichem and credit card cheques announcements.

Business and Consumer Research

Results of the business and consumer research exercise will be circulated in the next few days.

CRE

Scams

The forthcoming ICPEN meeting in Korea will pull together the initial outcomes of the international input to fraud awareness month.

Credit Card default charges demonstration

The Board was advised that a demonstration was due to take place on 3 March in Salisbury Square. Where possible, staff are advised to stay in the building or use the alternative exits.

CRE Legal

Jessica Farry has returned from sick leave. Harsha Shewaram is returning to the office on Monday and will replace Paul Gurowich who will be continuing his work on OFT Plus.

CE

Mergers guidance

A meeting with CBI and City lawyers took place last week. The situations in which some type of informal advice may be required by business may have to be extended. An interim notice will be going out by the end of March.

ANL

Commitments were accepted this morning.

Private Enforcement

The submission on the Commission's paper is due mid April.

MPI

Stakeholder review

The review by Phil Evans is due on 3 March, and will be fed into the change programme.

Working with the FSA

An agreed joint press notice from the CEO and John Tiner at the FSA explaining how the OFT and FSA can work more closely together is being prepared. HM Treasury is keen for both organisations to enjoy a closer working relationship.

Item 3 Market Study

The Board was updated on an ongoing market study.

Item 4 Update on Consumer Direct (including governance)

Colleagues are in the process of being interviewed as part of the OGC Gateway Review to ascertain the OFT's readiness for the transfer of Consumer Direct on 1 April. The Board was updated on the following key areas:

Finance

It has been agreed with DTI that the £19m annual budget to the OFT on 1 April. The DTI guarantee remains in place, but will only be called upon in an emergency. The OFT will lead on the bid for Consumer Direct funds in the Comprehensive Spending Review.

Recruitment and location

The team are all in place with the exception of the communications manager who will join in mid-April. A head hunter will begin the search for the Consumer Direct Director; the CEO will want to sign off the advertisement before it is published.

Branding, marketing and communications

This has been discussed by the Transitional Advisory Group, and a good level of co-operation is underway.

Governance

Agreement has been reached with the interested parties on the structure, role and general membership of the National Strategy Group.

Item 5 Credit Card default charges

The Board was advised that the OFT will be publishing a statement on default charges by the end of March, proposing a threshold. Although this approach is not seen as a permanent or ideal solution (expected to last around 3 years), it should improve the working of the market.

The team is already in discussions with key stakeholders, and meetings have been set up with APACS and others. The team will also need to talk to the banks again at some point. The team noted that the incentives staff got for selling products also needed to be considered. It was confirmed that this work is consistent with that already undertaken on MasterCard interchange fees.

The Board commended Steven Wood for all his work on this issue, and thanked Ray Hall for stepping in and taking forward work from now on.

Item 6 Market Study

The Board was updated on an ongoing study.

Item 7 Approval of the Annual Plan and OFT vision

Annual Plan

The Board agreed to adopt the final version of the Annual Plan. It noted that this may be produced in a different format next year.

OFT Vision

An updated version, reflecting comments by the Board and Directors was circulated at table. The themes in the Vision can be drawn upon for speeches and media briefings.

Item 8 Senior Executive Team (SET) report

The CEO introduced Cavendish Elithorn, who will be leading work on the implementation of the new structure. The CEO's presentation to Branch Directors had gone well and a Branch Directors group is being set up to assist with the implementation.

Staff Event

The Board was advised on the format for the forthcoming staff event.

Following the event the CEO will be holding two away days for Branch Directors (BDs) (in two teams), and a series of staff workshops in April and May. The CEO will also cover the new structure in an interview he is giving to Whitehall and Westminster World on 17 March.

Item 9 Any other business

There were no issues that NEDs wished to discuss.

Papers below the line:

Item 10 Management Accounting Information

The Board noted the information provided for the 11 months ended 28 February.

Francesca Seymour
Secretary to the OFT Board
3 March 2006