

## Issue 1

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# Newsletter

## Welcome to the first edition of the Consumer Codes Approval Scheme (CCAS) newsletter

### Puzzled by codes?

In the past couple of months we have had two new consumer codes of practice complete Stage One of the application process. We have also seen the expansion of the scheme to include dentistry (excluding clinical care and dental insurance schemes).

With so many developments within the scheme, we appreciate it can be hard for our partners and stakeholders to keep up to date with what is happening. The aim of this newsletter is to keep you in touch with progress.

You can find out more about the CCAS by going to the codes website at [www.offt.gov.uk/Codes](http://www.offt.gov.uk/Codes)

If you would like to know more about something in the newsletter, or would like the newsletter to cover a particular aspect of the CCAS then please contact the codes team.



**By COLIN BROWN**  
*Director, Co-Regulation,  
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### Contact us

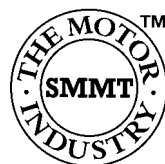
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## Recent CCAS Developments

In the last few months there have been two additions to the codes which have completed Stage One of the CCAS. The number of sectors from which we're inviting applications has also expanded to include dentistry (excluding the clinical care and dental insurance schemes) which now means that CCAS covers 17 sectors. A list of these can be found at [www.oft.gov.uk/Codes](http://www.oft.gov.uk/Codes)

There are now six consumer codes of practice which have completed the first stage of the application process and are working towards OFT approval.

On 15 April this year we announced that the joint code of the Retail Motor Industry Federation and the Scottish Motor Trade Association had completed Stage One. The RMIF and SMTA represent around 35 per cent of independent dealers and over 60 per cent of



franchised dealers in the retail motor industry. Their joint code application incorporated the recommendations of the DTI 'Good Garage' Scheme.

On 3 June this year we also announced that the Society of Motor Manufacturers and Traders Ltd. code of practice has completed Stage One. The SMMT is an independent trade association for the UK motor industry which represents all automotive manufacturers in the UK. The SMMT code of practice covers new car manufacturers' warranties and the sale of used cars, where the car is still covered by the original manufacturer's warranty.

## Codes Website Developments

The codes website was launched in March this year for businesses and code sponsors to access information about the CCAS.

The website has an exhaustive frequently asked questions section answering what the CCAS is, what it does, what it doesn't do. There's also a section where publications can be downloaded, such as the guidance on the core criteria for those drawing up codes of practice and consultation guidance for consumer advisory bodies.

Code sponsors wishing to apply under the CCAS simply need to click on the 'Code sponsor' link and follow the instructions. New applicants will be allocated a case manager who will call to discuss their interest in applying. Suitable applicants will be given a password enabling them to download the application form and upload it when completed.

Once the first OFT Approved codes are announced, the consumer pages of the

website will be activated. 'The codes website will be a very powerful tool for consumers and business' says Dagmar Droogsma, Head of OFT's Approved codes team.

'Consumers will be able to search for a business in their area which is a member of an OFT Approved code of practice that ensures high standards of customer service. And for business it is a fantastic opportunity to show consumers that they give a fairer deal'. Code sponsors will regularly submit data to make sure that this information is kept up to date. There will also be an option for consumers to submit feedback on the operation of the code.



## Baseline Study

To measure the impact of the CCAS over time, we commissioned NOP Consumer to undertake a base line study into current perceptions of codes of practice.

The study was composed of two surveys – one of businesses and one of consumers.

**The business survey** was of 1,000 businesses representative of the four sectors of the code sponsors who had completed Stage One of our two stage process towards approval – estate agency, travel, vehicle bodywork repair and direct selling.

We were keen to gauge the perceptions among businesses of the commercial implications of signing up to an OFT Approved code.

Nearly all businesses agreed, when prompted, that codes of practice have benefits, for consumers as well as for themselves.

The vast majority of businesses that were members of a trade association believed that the benefits of signing up to a code outweighed the disadvantages.

Helping to improve reputation was seen as the most important benefit to businesses. Businesses that were not currently members of any trade association were most likely to cite negative effects of codes of practice. The main disadvantages and barriers to signing up to a code, particularly amongst smaller firms, were seen to be increased paperwork and costs as well as the perceived negative effects on reputation associated with a failure to meet the code's standards.

**The consumer survey** was of 1,000 people questioned about their awareness and understanding of codes of practice, including a representative sample from each sector where a code sponsor has completed Stage One.

We wanted to identify the general level of consumer awareness and understanding of codes of practice within all the business sectors we are currently dealing with, and to compare the public's perception of the standard of service they receive from businesses within the four identified sectors that do sign up to a code of practice with those that do not.

Three quarters of consumers claimed it was important to use a business that signs up to a code of practice. Consumer awareness of codes varied across the business sectors but only ten per cent of consumers claimed to be completely unaware of the existence of any codes of practice. Most consumers saw the main benefits of dealing with a business that signs up to a code as being the resulting peace of mind associated with making a purchase and reassurance that there is a mechanism for resolving problems should they arise.

Consumers reported little difference in the standard of service they received from businesses among the four identified sectors that currently sign up to a code of practice, and those that do not. Consumers were asked to comment on a range of aspects, including the accuracy of pre-contractual information, the quality of after sales service and the effectiveness of complaint handling. Interestingly, consumers tended to over-claim their awareness that the company they used signed up to a particular code of practice. People often identified a business as a code member when in fact it was not. The proportion of consumers who made this mistake varied across the four sectors from a third to three quarters.

We felt it was important to conduct these surveys at this time while the CCAS is still in its infancy, prior to the announcement of any OFT Approved codes and the associated promotion.

Similar surveys will be conducted in 2005 and 2006 to collect objective data on an annual basis to measure the demonstrable benefits to business and consumers. We will publish our findings and hope to see year on year improvements.

## Licensing the Logo

Protecting the OFT Approved code logo from misuse will be a priority under the CCAS so that only those entitled to use the logo do so. Subscribing businesses will want to be reassured that their higher standards are recognised and consumers will want to have faith that businesses displaying the logo can be trusted.

The logo is Crown copyright protected.

To ensure that code sponsors and their members are clear about their responsibilities, and to provide us with effective remedies for misuse, we will be operating a licensing system for Approved code sponsors and their members who will be using the logo.

Once a code has achieved OFT approval, code sponsors will be required to sign a licence, which will contain the terms and conditions under which the logo can be used. Code sponsors will also be responsible for distributing copies of the licence for each code member to sign and return via the code sponsor to the OFT. Only those who have signed the licence will be able to use the logo.

We are also producing logo guidelines for code sponsors, including technical specifications. This information will be completed shortly and will be available on the code sponsor section of the codes website.

## Promotional Events Digest

### Consumer Codes Approval Scheme – spreading the word.

Since the national launch to business of the Consumer Codes Approval Scheme on 14 February 2003, the codes publicity team has been travelling the length and the breadth of the UK holding two seminars a month for businesses and local advisory bodies.

The focal point of the seminars has been to raise awareness of the CCAS and the benefits to both business and consumers.

The seminars start with an in-depth presentation of the CCAS by members of the codes team, followed by a question and answer session.

Information packs containing all the relevant information about the Scheme are presented to the attendees, with contact numbers for the codes team.

The team recently held seminars in Taunton, Oxford, Bristol and London. We would be

interested to hear from anyone who thinks their organisation/group would benefit from a presentation from the codes team.

While the codes publicity team have been travelling the country, the OFT's Business Information Unit has been hot on their heels with a series of roadshows which offer information on the Enterprise Act, consumer and competition law and the Consumer Codes Approval Scheme to trading standards services and local businesses around England, Wales, Scotland and Northern Ireland.

Meanwhile, in the local town centres, there are customer information stands manned by OFT staff and representatives from local trading standards services which distribute a wide range of consumer information and advice.

## Recent Media Coverage

We are steadily heading towards the first OFT Approved code and the consumer-targeted publicity that will accompany it.

Those of you who watched *Brassed Off Britain* would have seen Christopher Macgowan, Chief Executive of SMMT, announce that their code of practice had completed Stage One of the approval process.

The August edition of *Fair Trading* magazine, produced by the OFT, carries a long explanatory article about the CCAS. This magazine is distributed to trading standards services and other advisory bodies.

An article appears in the June 2004 edition of the Vehicle Body Repairers Association (VBRA) trade

magazine *the Body* and another in the May 2004 edition of *Team Unipart*.

The July issue of the trade magazine of Association of Residential Letting Agents (ARLA) will also carry a CCAS feature article.

If you wish to run a news story about the CCAS in your trade magazine or newsletter then please contact the codes team and we'll be happy to provide any assistance we can.

Code sponsors should ensure that any publicity is cleared with the OFT before publication (core criterion 7d) – please contact Stewart Horne, [stewart.horne@oft.gsi.gov.uk](mailto:stewart.horne@oft.gsi.gov.uk) or 020 7211 5819 for further information.