

## Business Leadership in Consumer Protection

An OFT conference on self regulation and industry-led compliance

Overview of the day and closing comments

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Ladies and gentlemen, I'd like to thank you again for your contribution to this final session which has been a hugely important part of the event from our point of view. It's rare to be able to get a group of people together like this and we wanted to make sure that we had a chance to capture your views and your knowledge. We're going to make great use of this information over the coming weeks and months. So we very much appreciate your help and look forward to any written comments that you may have in response to our paper. Just to remind you the closing date is the 30 April so there's plenty of time to put in your submissions.

What I'd like to do over the next few minutes is to try and sum up very briefly what we have heard today. Philip Collins, our Chairman, opened the conference this morning by explaining that the purpose of today was to contribute to the debate about how and when self regulation can solve problems in markets and to help us develop our thinking in this area. From that perspective, I think the day has been a huge success. We've learnt a great deal and have been left with much food for thought.

Turning to the panel sessions. In the first session of the morning - 'Business-led consumer protection and partnership with the OFT' - I was struck by the range and complexity of the different self regulatory arrangements. I come from a very different background. I was trained in competition law and policy making and have only been involved in consumer policy for the last two or three years. Some of the things that I heard, as an outsider to some of this in one sense, were bold and enlightening.

This first session confirmed for me what we suggested in our discussion paper - that diversity in the field of self regulation is a good thing and that it's something that we should facilitate. Self regulation should be used in a very flexible way to help deal with consumer protection problems where appropriate. It can provide real benefit for consumers. It can also help businesses to achieve compliance effectively without the burdens of full statutory regulation or costly enforcement action. Of course we need to factor in the lessons from the current economic downturn. However, they are not a bar to the work in this area or to further development of this tool. The important thing to keep in mind is the point Christopher Graham made. Self regulation is not about being light touch or heavy touch but is in fact about 'finger on the pulse regulation'. I think that captured very powerfully the ideas that we have been thinking about over the past 12 months.

Michael Hardiman of The Carpet Foundation brought a very positive message about the impact of our Consumer Code Approval Scheme on his members' business. That is good to hear because we know how much work code sponsors undertake to achieve code approval. I therefore want to re-affirm this afternoon, our strong commitment to the Consumer Code Approval Scheme. Any new initiatives that emerge from today will not divert us from continuing to build up the brand that we, and our code sponsors, have worked so hard to create. However, we also heard from Simon Bunce of ABTA about why his organisation was unable to continue in the scheme. The message that Simon gave us is something we will take away and consider further. We also heard the call for more approved codes and for the process to be speeded up. Again, we will give more thought to those points but we need to balance them against our commitment to retain the robustness of the scheme. This is key to its success.

I also note the point made by several speakers about the crucial role of enforcement action. There is a myth developing that the OFT is less interested in enforcement than in the past and that it has shifted its priorities elsewhere. That is not the case. Enforcement remains one of our primary functions and I'd like to underline that today.

Turning to the second session for the morning: 'a tool for modern markets'. We explored the scope for greater use of self regulation and we heard both sides of the argument. The message I take from the session is that self regulation is an important tool for achieving consumer protection but the view seems to be that it's not appropriate in every situation or in every

market. There was a strong note of caution from a number of speakers, and from a number of you in the audience, of the risks of over reliance on self regulation and the situations where it has failed to live up to its potential. As Steve Brooker said, self regulation should be used only where what he called 'the ingredients' are right. I agree with that entirely. Of course identifying what the ingredients are is a challenge and will be a continuing challenge for us. Today has given us a number of important pointers in the right direction which, combined with the written submissions we receive, will be crucial in helping us develop our policy statement. We plan to issue this in September.

Ensuring that we choose the right tool for the job is something that we have given a lot of thought to at the OFT over the last couple of years, right across the range - from consumer work to our markets and competition work. We need to be proportionate and understand the perspective of business and consumers. The BRE's view, which Colin Church set out earlier in the day, is of course highly relevant here. Having listened to the discussion, I feel that, whilst the self regulatory landscape is a difficult one to map, the model that we have devised and which Colin Brown outlined this afternoon can be useful in identifying the key features of self regulation. But I'm also aware of Christopher Graham's warning that we shouldn't spend too much time trying to define definitively what we mean by self regulation. We would like to hear more of your views on this and we welcome any suggestions for improvements. And of course we will be analysing the data that we have gathered during the course of the day.

That's as much as I want to say on the substance of what's been discussed. We will be making copies of today's presentations available on the OFT website in the next two to three weeks. Our discussion papers are of course already there and we will also provide a summary of the key points emerging from the transcript of the day's proceedings.

For my part I would like to thank our speakers today for their stimulating and knowledgeable contributions. There are too many to mention by name but I would like to say a special thanks to Mary Engle of the FTC who gave so much of her time travelling here and provided us with a fascinating international perspective. I also want to thank all of you for attending and for your very valuable contributions.

Thank you.