



Consumer education

The OFT's response to the consultation

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1 INTRODUCTION

- 1.1 The OFT's consultation on a strategy and framework for consumer education was published on 20 July 2004. It sought the views of everyone with an interest in consumer education. The Enterprise Act 2002 gives the OFT new powers to use consumer education to support its work in making markets work well for consumers. The consultation set out draft proposals for a strategy and framework for consumer education which reflect the OFT's powers. This paper summarises the responses to the consultation. The responses have been used to prepare a finalised strategy and framework for consumer education.
- 1.2 In total we received 45 formal responses (and one informal response) from a range of organisations, including businesses and business associations, consumer bodies, local government and enforcement bodies, academic institutions and educationalists, consumer education practitioners, regulators, government departments and other agencies. The breakdown of those who responded is as follows:
- eight businesses and business associations
 - fifteen consumer bodies
 - seven local authorities and enforcement bodies
 - three academic institutions and educationalists
 - three consumer education practitioners
 - seven regulators, government departments and other agencies, and
 - two individuals.

2 SUMMARY OF MAIN FINDINGS

- 2.1 The respondents were broadly positive and offered detailed constructive feedback on the proposals.
- 2.2 Most responses supported our analysis that current consumer education provision is fragmented, suffers from duplication and is poorly coordinated. There was broad support for our proposal to take a new, coordinated approach.
- 2.3 Our proposals for an Alliance, Planning Group and working groups were thought to be workable by the majority of respondents.
- 2.4 A proportion of respondents called for a clearer definition of consumer education.
- 2.5 Some respondents, particularly businesses, felt that the draft strategy and framework was too 'high level' and lacked detailed objectives and targets.
- 2.6 Many respondents stressed the need to take special account of the needs of socially excluded and vulnerable consumers, particularly the disabled and minority ethnic groups.
- 2.7 Respondents agreed that creating an effective Alliance would be a challenging task. Most respondents felt that a combination of a dedicated website, conferences, UK-wide seminars and workshops would be needed to glue the Alliance together.
- 2.8 In response to the level of interest in the consultation, the OFT held two stakeholder meetings for Scottish stakeholders as part of the consultation process. A full list of attendees can be found in chapter 5.
- 2.9 Much of the discussion in these meetings echoed the written consultation responses we received. The main points raised were as follows.
 - The need for tighter definitions of the elements of the proposed strategy and of consumer education.
 - The OFT's role should be as a catalyst and facilitator, bringing together key players and setting strategic priorities.

- The OFT should make a public commitment to coordinate across government, particularly with the Department of Trade and Industry. There must be coordination with other Government priorities.
- Consumer issues across the UK are the same, but the contexts in which they need to be addressed in different parts of the UK vary. The strategy must respect these differences.
- Scotland must be represented at all levels and at all stages of activity. Outputs must take into account Scottish differences. But there does not need to be a separate structure for Scotland.
- Involvement of the Scottish Executive will be critical if the strategy is to succeed.
- Managing such a potentially large Alliance will be challenging.
- Consumer education activities must be evidence based.
- Trading standards services believe they must have a voice.

2.10 As part of the consultation, the OFT also held discussions with the Treasury, the Department for Education and Skills, the Department of Trade and Industry and the Department of Constitutional Affairs.

2.11 Responses to the seven specific questions asked in the consultation are summarised in chapter 3.

3 SUMMARY OF RESPONSES TO THE SPECIFIC QUESTIONS ASKED IN THE CONSULTATION

Question 1: We welcome your views on the strategic aim and objective.

The strategic aim is to:

Equip consumers with the confidence, skills and knowledge to enable them to make the best choices and resolve problems when things go wrong: to enable them to function effectively and responsibly in the modern marketplace.

In achieving this aim, our objective is to ensure that consumers are equipped with an appropriate range of generic, transferable skills, enabling them to:

- research, assimilate and critically analyse information according to their individual needs
- manage their resources effectively
- assess risk and exercise balanced judgement in making responsible decisions
- communicate effectively in a wide range of consumer situations, and
- solve problems when they arise.

3.1 There was broad support for both the strategic aim and objectives. The majority of respondents believed they were clear, appropriate and attainable.

3.2 The main concern raised was the need to recognise that not all consumers will be able to 'solve problems when they arise'. Some respondents believed the objective should be amended to 'know where to seek advice' when problems arise, recognising that not all problems can be solved unaided.

3.3 Other concerns were as follows.

- Consumers may need help and advice at all stages of the purchasing process, not just when things go wrong.
- Consumer education work should benefit those who are most in need.
- The strategy should demonstrate clear links to the priorities in Department of Trade and Industry's proposals for a consumer strategy.
- The proposals are not strategic enough.
- The proposals should be more down-to-earth and practical.
- The proposals should spell out the educational methods that will be used to achieve the aims.

Question 2: Do you think membership of the Alliance would help further your own consumer education work?

- 3.4 The majority of respondents believed that membership of the Alliance would benefit their own consumer education work. The main benefit identified was the sharing and development of ideas. There was a clear view that a coordinated and strategic approach would be beneficial to consumer education activities.
- 3.5 However, some respondents felt they needed more information about the Alliance before being able to assess how useful membership would be. One respondent felt that sharing resources may not be appropriate, but was happy to exchange views and ideas.
- 3.6 Respondents were clear that to be effective, the Alliance must have broad membership.
- 3.7 Other comments were as follows.
- There may be a potential clash between local priorities and priorities set by the Planning Group.
 - Membership of the Alliance would reinforce members' ability to advise on consumer education and deliver consumer education activities. Promoting the work of the Alliance and their role within it would enable their work to be more effective.
 - Organisations representing business felt that business should be involved in all aspects of the proposed structure, including delivery of activities: the role of business should not be limited to providing commercial and technical expertise in developing initiatives.
 - For some organisations, limited resources may mean that full participation in the Alliance and consumer education activities will be difficult.
 - The Alliance must be representative of all parts of the UK.
 - Involvement and commitment to the Alliance would depend on the nature of the priorities set.

Question 3: Would you be interested in being a member of the Alliance or Planning Group?

- 3.8 The majority of those who responded to the consultation expressed a firm interest in joining the Alliance. Those who did not directly express an interest in joining the Alliance said that they would like to participate or be involved as the strategy moved forward.
- 3.9 A number of respondents expressed an interest in joining the Planning Group. The level of interest ranged from offering to take the lead in a certain areas of work to being prepared to join the group if it was deemed appropriate.
- 3.10 Some organisations said they would be prepared to make a major contribution to the Planning Group but would expect a similar commitment from other members.
- 3.11 Organisations from Scotland and Wales were clear that their national interests should be represented at a strategic level. Many thought this could be best done through organisations such as the Welsh Assembly or the Scottish Executive.

Question 4: We would value your views on how the Alliance might function. For example:

- **how often and where should it meet?**
 - **how should the Alliance manage its internal communications?**
- 3.12 Most respondents felt that the role envisioned for the Alliance, and its potential size, meant that it would not be practical or necessary for it to meet regularly. Most respondents believed that one or two conference-style events each year would be appropriate.
- 3.13 Respondents not based in London or the south-east said that meetings should be held across the country, not just in London.
- 3.14 Scottish respondents said the Alliance would only be meaningful to Scotland if events were held in Scotland. Scottish stakeholders felt an annual conference and a good website would be the best way for Alliance to function. Newsletters and discussion forums would also be useful.
- 3.15 There was broad agreement that a website would be the most effective way for the Alliance to function, perhaps supplemented by a supporting newsletter.

Question 5: Do you think the Alliance, Planning Group and working groups are the best way to implement the strategy? Can you think of a more appropriate way forward?

Question 6: Do you think the roles proposed for each of the three groups are appropriate?

3.16 The proposed structure of an Alliance, Planning Group and working groups were generally deemed to be an appropriate way to implement the strategy and the best way forward. Some respondents noted that this structure must be allowed to evolve as time goes on. However this must be balanced against the need to be given a reasonable amount of time to prove it can deliver.

3.17 Some respondents said they were not able to comment fully on the proposed framework without greater detail about the main elements of the strategy. Others felt unable to comment because they did not have experience in implementing strategies. One respondent felt the proposals could be a good way forward depending on the resources available and the criteria applied to membership of the different groups.

3.18 There were some concerns that the Alliance could become too big and unmanageable. However, respondents felt that the Alliance must be broad enough to achieve the coordination that is central to the strategy. One respondent was concerned that the proposed groups seemed overly bureaucratic.

3.19 Other points raised were as follows.

- The working groups flow satisfactorily from the work of the Planning Group but the gap between the Planning Group and Alliance appears too great.
- One respondent did not see the need for the Alliance and a Planning Group, and proposed the creation of one strategic body with very wide membership responsible for setting objectives and priorities along with a series of working groups.
- Roles and responsibilities of the Alliance, Planning Group and working groups should be agreed at outset.
- There must be representation of all the parts of the UK at every level of the proposed structure.

Question 7: Please comment on how the work of each of the proposed three groups should be promoted. What do you think is the right balance between activity and publicity?

- 3.20 The general feeling from respondents was that publicity is important but should not be at the expense of consumer education.
- 3.21 Respondents were of the view that ensuring the groups actually deliver results, was more important than promoting the groups themselves. Many respondents felt that publicity should be limited, but focused on publicising results rather than delivery mechanisms.
- 3.22 Of the three groups, it was believed that the Alliance should receive most exposure. The Alliance should have a high profile within consumer education and be the first point of contact by any organisation planning to undertake any consumer education work.
- 3.23 It was suggested that the promotion of the Planning Group should be concentrated mainly through central government. The Alliance, and to a much lesser extent the Planning Group, should be promoted through local government, the consumer education movement and the media. It was also suggested that individual members could promote the work of the Alliance.
- 3.24 There was some concern that the consultation made no mention of the role of the media as a way of providing consumer education and information. Some respondents believed the OFT had an important role in securing national publicity.

4 LIST OF RESPONDENTS

A dot next to the name (•) indicates that the organisation was on the consultation list and responded.

- Advice UK
- Age Concern
- Bernardo Batiz-Lazo
British Retail Consortium
Cheshire County Council
- Citizens Advice
- Citizenship Foundation
Civil Aviation Authority
- Confederation of British Industry
- Consumer Education Liaison Group (joint response with Trading Standards Institute (TSI))
- Consumer Support Networks
Credit Action
Debt Managers Standards Association (DEMSA)
- Dixons Group plc
- Experian
Fife Council
- Financial Services Authority
Financial Services Consumer Panel
GE Consumer Finance
- General Consumer Council for Northern Ireland
- General Insurance Standards Council (not a formal response)
Glasgow City Council
- Institute of Consumer Affairs
- Institute of Consumer Sciences
- Local Authorities Coordinators of Regulatory Services (LACORS)
Leicestershire Trading Standards
London Metropolitan University – Consumer Sciences, Education and Policy Unit
London Trading Standards Authorities (LoTSA)
Maurice Plaskow

- National Consumer Council (joint response with the Welsh Consumer Council and Scottish Consumer Council)
National Information Forum
ntl Group Limited
- Qualifications, Curriculum & Assessment Authority for Wales (ACCAC)
- Queen Margaret University College
Rail Passengers Council
Scottish Council for Development in Industry
- Scottish Consumer Council (joint response with National Consumer Council and Welsh Consumer Council)
- Scottish Executive
- Society of Chief Trading Standards in Scotland (SCOTTSS)
Susan Neal
The National Association of Adult Continuing Education – England and Wales
- Trading Standards Institute (TSI) (joint response with the Consumer Education Liaison Group)
- WA Partnership
Warwickshire Trading Standards Services
- Welsh Consumer Council (joint response with National Consumer Council and Scottish Consumer Council)
One confidential response

5 ATTENDEES OF SCOTTISH STAKEHOLDER MEETINGS

Aberdeen City Council
Angus Council
Comhairle nan Eilean Siar
Consumers' Association
Convention of Scottish Local Authorities (COSLA)
Dumfries & Galloway Council
Dundee Trading Standards
Dundee University
East Ayrshire Council
East Dunbartonshire Council
Edinburgh Council
Falkirk Council
Fife Council
Glasgow Caledonian University
Glasgow City Council
Highland Council
Law Society of Scotland
Midlothian Council
Money Advice Scotland
North Lanarkshire Council
Postwatch Scotland
Queen Margaret University College
Rail Passengers Committee
Renfrewshire Council
Scottish Centre for Financial Education
Scottish Consumer Council
Scottish Council for Development and Industry (SCDI)
Scottish Executive
Scottish Qualifications Authority (SQA)
Society of Chief Officers of Trading Standards in Scotland (SCOTSS)
South Ayrshire Council
South Lanarkshire Council
Stirling Council
West Dunbartonshire Council
West Lothian Council

SEEING THE RESPONSES

One organisation asked the OFT to treat its response to the consultation in confidence.

All the other responses are available for inspection at the OFT, Fleetbank House, London EC4Y 8JX. If you wish to inspect any of these responses, please contact:

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