

# **OFT's Consumer Codes Approval Scheme**

Guidance for consumer organisations, enforcement  
bodies and advisory services

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OFT631

# 1 INTRODUCTION

- 1.1 The Office of Fair Trading (OFT), through its Consumer Codes Approval Scheme, is committed to promoting business-to-consumer codes of practice that meet its core criteria. These criteria are aimed at safeguarding and promoting the interests of consumers, and cover the organisation of the code sponsor, the preparation and content of the code, complaints handling, monitoring, compliance and publicity. Criteria 2b<sup>1</sup> and 2c<sup>2</sup> require code sponsors to consult with consumer organisations, enforcement bodies and advisory services<sup>3</sup> during the preparation, operation and monitoring of their code.
- 1.2 The purpose of this guidance is to clarify the role of advisory bodies under the scheme.
- 1.3 For full details of the Consumer Codes Approval Scheme, please refer to our consultation document (OFT 331), our response (OFT 344) and guidance on core criteria (OFT 390). The documents can be downloaded from our website at: [www.offt.gov.uk/Business/Codes/publications](http://www.offt.gov.uk/Business/Codes/publications) or ordered by phoning 0870 6060321

## 2 WHY IS INPUT REQUIRED FROM ADVISORY BODIES?

- 2.1 Criterion 3b requires that codes address sectoral issues, such as undesirable trade practices, as well as consumer concerns. Advisory bodies are well placed to identify such issues that code sponsors can be advised of. Even if the issues have been raised elsewhere, the broader perspective of advisory bodies is valuable.

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<sup>1</sup> Criterion 2b) Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services have been adequately consulted throughout the preparation of the code.

<sup>2</sup> Criterion 2c) Code sponsors shall be able to demonstrate that organisations representing consumer, enforcement bodies and advisory services are being adequately consulted throughout the operation and monitoring of the code.

<sup>3</sup> For ease of reference, consumer organisations, enforcement bodies and advisory services are referred to collectively as advisory bodies.

### **3 WHEN WILL INPUT FROM ADVISORY BODIES BE NECESSARY?**

- 3.1 During code preparation (i.e. before Stage One is completed) to ensure sectoral issues are addressed at the outset (criterion 2b). For this stage OFT will co-ordinate the consultation process.
- 3.2 During operation/monitoring after completion of Stage One but before OFT approval (criterion 2c) to ensure that:
- sectoral issues previously identified are being effectively addressed; and
  - new or emerging sectoral issues are brought to the attention of code sponsors.

During this period code sponsors will consult directly with advisory bodies but with some OFT involvement.

- 3.3 OFT approval is given when the code sponsor successfully achieves the evidential requirements of Stage Two. After this, consultation between code sponsors and advisory bodies is expected to continue without any routine OFT involvement.

### **4 WHAT IS EXPECTED FROM ADVISORY BODIES?**

#### **During the preparation of codes**

- 4.1 To provide practical advice on specific sectoral problems and areas of consumer detriment that could be addressed by the code. The aim is to highlight key consumer issues in the relevant sector e.g. high-pressure selling, inadequate pre-contractual information etc.

#### **Throughout the operation of the codes**

- 4.2 To provide feedback to code sponsors on the effectiveness of the code in addressing identified problems and detriment. This may require regular meetings between advisory bodies and code sponsors. Code sponsors may also invite comments on specific issues e.g. new/anticipated sectoral issues, complaints and compliance information.

## **5 HOW WILL INPUT FROM ADVISORY BODIES BE REQUESTED AND PROCESSED?**

5.1 The OFT will act as co-ordinator for the consultation process in respect of the preparation of codes working towards completion of Stage One. We will identify appropriate advisory body/bodies to consult based on information supplied by the advisory bodies themselves. Once an application has been received, we will notify the relevant advisory bodies that they will soon be asked to respond to consultation requests. Shortly after, the OFT Approved Codes Team will send consultation requests to the advisory bodies. The requests will include:

- the draft code of practice;
- which other advisory bodies are being consulted;
- a timeframe for a response (generally two months);
- details of necessary code changes already highlighted to the code sponsor.

It should be noted that OFT treats all applications from code sponsors in strict confidence and expects all consultees to do the same.

5.2 OFT will subsequently advise code sponsors of responses from advisory bodies so that any matters raised can be addressed by the code.

5.3 As part of the process following the completion of Stage One, consultation will take place between code sponsors and advisory bodies directly, with the onus being on code sponsors to ensure that this consultation takes place. There will however be some OFT involvement to ensure that such consultation takes place effectively, which will include:

- giving an indication to advisory bodies as to when they are likely to be approached by code sponsors for consultation;
- when achievement of OFT approval is close, a check that advisory bodies have been consulted.

5.4 After OFT approval, code sponsors are expected to continue to consult with advisory bodies, but without routine OFT involvement.

## **6. Contact us**

6.1 Should you have any queries regarding the consultation process, please contact the OFT Codes Team on 020 7211 8987 or email us at [consumercodes@oft.gsi.gov.uk](mailto:consumercodes@oft.gsi.gov.uk).