

# **Trading Standards snapshot: main results**

## **Annexe S of the doorstep selling report**

May 2004



## **Introduction**

- S.1 At an early stage in the overall research program, and with a view to informing the direction of further research, the OFT enlisted the help of a number of Trading Standards Departments (TSDs) to conduct a rapid preliminary look at the subject of consumer complaints about doorstep and in-home selling.
- S.2 The exercise was called the TSD Snapshot and involved a special exercise to identify doorstep selling problems among consumer complaints reported to TSDs over a nominal period of four weeks.
- S.3 The exercise involved 33 TSDs in all. That covers about 16 per cent of all such departments in the UK. However, the sample included a number of rather larger departments and collectively would account for roughly 25 per cent of all complaints reported in the UK.
- S.4 The exercise had a number of objectives. These included identifying markets where consumer complaints about doorstep selling occur, identifying the types of complaints that were most common, gaining some measure of the scale of complaints, and where possible determining the value of the goods involved in the individual complaints.

## **Results**

### **Overall consumer complaints**

- S.5 Based on the results from this sample of TSDs, overall complaints relating to goods and services sold through doorstep selling methods were estimated at 1.9 per cent of all consumer complaints in the study period. If this pattern persisted throughout a full reporting year we would expect to see some 15,500 or so out of the UK total of 835,000 complaints.

TABLE 1: SUMMARY RESULTS: COMPLAINTS ABOUT GOODS AND SERVICES SOLD DOOR-TO-DOOR

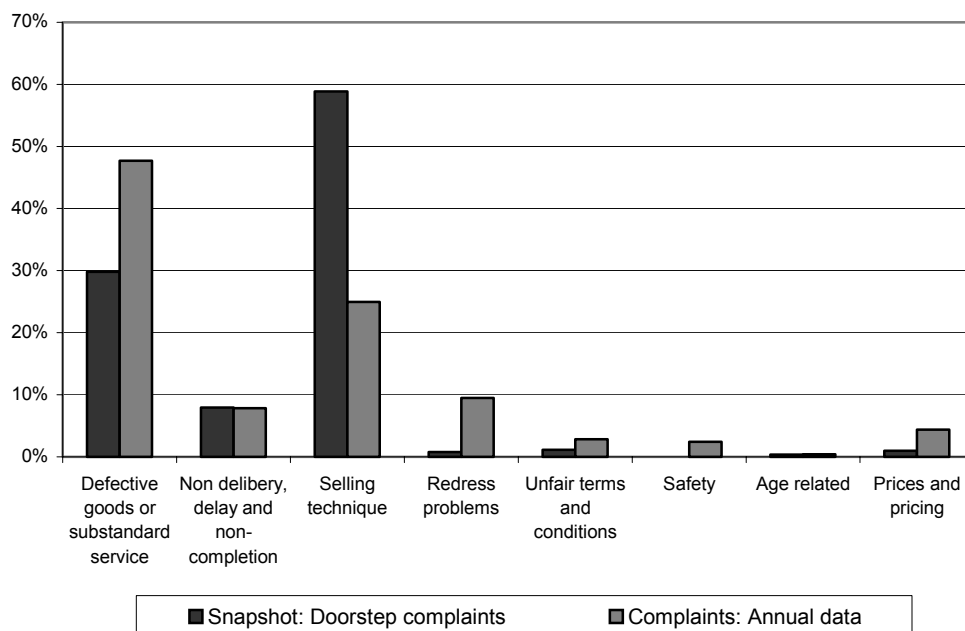
Coverage	All complaints	Relating to door-to-door selling	%
TSDs in snapshot study (33)	21,980	408	1.9%
Estimated UK totals	835,000	15500	

Note that annual UK total shows variability. The figure of 835,000 was the observed 2002 total, but recent totals over four quarters have been seen in the range from 835,000 to 876,000, and the figure used is typical rather than exact.

### Types of complaints

S.6 The doorstep selling complaints were not typical of the usual UK picture of consumer complaints reported to Trading Standard Departments. Problems with selling techniques were present in considerably higher proportions than normal, and most other areas under represented compared to the profile shown by the full 800,000+ complaints made annually.

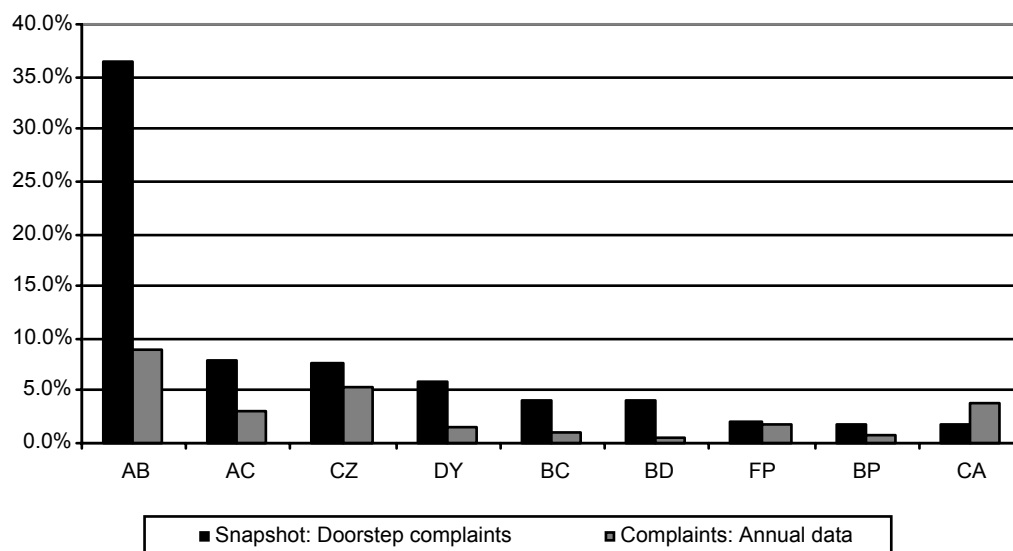
**CHART 2: PERCENTAGE OF COMPLAINTS BY TRADING PRACTICE:  
COMPARING SNAPSHOT DOORSTEP DATA WITH CONSUMER  
COMPLAINTS IN GENERAL**



**Goods and services where complaints about doorstep selling occur**

- S.7 Some types of goods and services attracted complaints of this type in greater proportion than the usual pattern of complaints. The charts below are based on 377 records where detailed information was recorded rather than all 408 reported cases.
- S.8 In addition to the very high proportion of complaints relating to home maintenance repairs and improvements, the presence of several products commonly sold door-to-door was apparent such as double-glazing, gas and electricity. It was also observed that there appeared to be few complaints about credit or credit products sold door-to-door - less than one per cent of those recorded.

**CHART 3: PERCENTAGE OF COMPLAINTS BY TYPE OF GOODS AND SERVICE: COMPARING DOORSTEP SELLING SNAPSHOT WITH CONSUMER COMPLAINTS IN GENERAL**



Key: -

- AB Home maintenance repairs and improvements
- AC Double glazing products and installation
- CZ Other personal goods and services
- DY Other professional services
- BC Gas
- BD Electricity
- FP Betting competitions and prize draws
- BP Hardware and cleaning materials
- CA Clothing and clothing fabrics

### **Doorstep selling complaints in relation to consumer expenditure**

S.9 The level of consumer complaints associated with doorstep and in-home selling looked to be potentially out of proportion to the level of consumer expenditure through these channels. Total UK domestic final household consumer expenditure amounted to over £626 billion in 2001, £655 billion in 2002, and £680 billion in 2003. (Source: Consumer Trends Q4 2003: table 0.CN)

S.10 Various estimates of aggregate market size for doorstep selling and in-home selling are presented in this study. See chapter 3 section 3 of the

main report for additional details. However, while the estimates have limitations they suggest that these sales channels account for around £2.5 billion of consumer expenditure.

- S.11 Crudely speaking then, these sales channels appear to account for about 0.4 per cent of consumer expenditure, but generate close to two per cent of all consumer complaints. This is an important signal that things may not be working well for consumers in this area.

### **Prices of goods and services attracting complaints**

- S.12 Data on the price of the goods or service in question were somewhat patchy, reported for 139 cases out of the 408 submitted. No strong conclusions can be made about the cases where data were not provided. It is likely that the absence of data might be especially common for low value items.
- S.13 **Where reported**, the average value of the goods and services was often substantial – certainly well above the level of everyday purchases. Details are summarised in table 4 below. It certainly should not be assumed that the detriment to the consumer was as large as the cost of the goods or service. However, it does provide a general guide to the upper limit of the financial detriment.

TABLE 4: REPORTED PRICES OF GOODS AND SERVICES ATTRACTING COMPLAINTS

Goods or service	Cases	Average		
		value	Maximum	Minimum
AB Home maintenance repair and improvement	63	£2,264	£17,000	£20
AC Double glazing products and installation	14	£1,765	£5,000	£150
CZ Other personal goods and service	10	£613	£2,900	£30
DY Other professional services	7	£2,843	£18,000	£65
FP Betting, competitions and prize draws	6	£126	£600	£3
BP Hardware and cleaning materials	2	£16	£30	£2
CA Clothing and clothing fabrics	-	-	-	-
All others	37	£745	7000	5
<b>Grand Total</b>	<b>139</b>	<b>£1,595</b>	<b>£18,000</b>	<b>£2</b>

### Other results: elderly consumers

S.14 Some of the data were accompanied by brief written descriptions of the events in question. While the numbers were very limited, and the evidence is clearly anecdotal, scanning through the written descriptions of the cases revealed six where the consumer was clearly elderly, and a further seven where the complaint was being handled by a younger person but on behalf of older relatives, who by implication had made the original purchase. Given that not all records contained such a description, this amounted to about six per cent of cases.

## Other results: complaints about doorstep selling by sector

S.15 In table 5 below, using the aggregate returns from TSDs for 2002 the main goods and services that include a proportion of sales through doorstep and in home selling attracted the following **total** numbers of complaints shown under the column heading 'All'. Using the snapshot data, we would estimate that the number related to doorstep and in home selling is as shown under the column headed 'Doorstep'. The percentages in the third column are computed from these two results.

TABLE 5: DOORSTEP AND IN-HOME SELLING COMPLAINTS:  
COMPARISONS BY SECTOR

Type of goods or service	All	Doorstep	Percent
House maintenance repairs and improvements	79,800	6,000	7.6%
Double glazing products and installation	27,700	1,300	4.8%
Gas	8,500	700	7.8%
Electricity	5,900	700	11.2%
Hardware, cleaning materials, household goods	5,400	500	9.9%
Clothing and fabrics	30,600	400	1.2%
Other personal goods and services	47,600	1,300	2.7%
Other financial services	19,400	1,000	5.0%
Betting competitions and prize draws	17,500	600	3.5%
All other types of goods and service	592,600	3,000	0.5%
Total	835,000	15,500	1.9%

S.16 The results help to confirm that problem with these sales channels are strongly associated with a number of key goods and services.

## Other results: complaints by value of goods

- S.17 Subsequent to the completion of other pieces of research these data were re-examined with a view to looking at complaints by the value of goods. Given the limited number of cases in which actual prices were provided, such an allocation involved a substantial degree of assumptions to be made about price levels on the basis of the type of goods and service.
- S.18 The results are therefore somewhat tentative, but seem sufficiently clear cut to conclude that complaints about high value products are brought to the attention of TSDs in far greater proportions than for other lower value products.

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<b>Value of goods or service</b>	<b>Doorstep complaints</b>	<b>Percent</b>
High value – above £500	8,500	55%
Intermediate value - £35 up to £500	1,500	10%
Low value – Up to £35	2,500	16%
Not determined	3,000	19%
All	15,500	100%

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