

House of Lords Select Committee: inquiry into role of economic regulators

Evidence submitted by the Office of Fair Trading

February 2007

OFT907

Introduction and outline

1. Competition stimulates businesses to offer the most attractive array of price and quality options possible. Consumers and the economy are best served by vibrant competition in open and well functioning markets, which are in turn driven by empowered and confident consumers. Competition drives productivity, innovation and growth in the economy at large.¹
2. The Government's vision for the UK competition regime was set out in its White Paper of July 2001 *Productivity and Enterprise: A World Class Competition Regime* (the 2001 White Paper).² It is principally about strong and effective application of general competition law across the whole economy; but it is set in the context of the utility sectors having already been liberalised, of some sector regulators having powers to apply general competition law, and of Government commitment to promote further liberalisation of markets. The OFT is committed to its aims while being totally independent in all the decisions we take and in advocacy advice we offer to Government.
3. The 2001 White Paper expressly invited Parliament to 'actively scrutinise our competition regime'. The OFT has taken part in a number of inquiries by Parliamentary Committees (see Annexe A). It welcomes the present inquiry and is pleased to submit evidence.
4. Our evidence is structured as follows:

Part 1: **OFT itself**. Our mission/ objectives/ organisational development. Powers/

¹ For recent OFT thinking in the link between competition and productivity see www.offt.gov.uk/shared_offt/economic_research/oft887.pdf

² www.archive.official-documents.co.uk/document/cm52/5233/523301.htm

approach/ performance/ initiatives in each of our areas of activity that contribute to promoting competition.

Part 2: **Sector regulators.** Outline of concurrency and other overlaps. OFT coordination of concurrent powers regulators; interaction with other regulators. How this is working.

Part 3: **International.** International coordination. Learning lessons from other jurisdictions.

Part 4: **Committee's specific questions.** Answered partly by cross-reference to matters covered in Parts 1-3.

Part 1: OFT role and performance

5. The OFT's mission is to make markets work well for consumers, and we have a broad remit and a diverse set of tools available to help us achieve this. We are not a regulator in the strictest sense; indeed our direct regulatory powers are limited, for example, to the operation of the consumer credit and merger control regimes. The bulk of our work consists of analysing and studying markets, enforcing competition and consumer protection law, undertaking advocacy, and working with partners to raise standards and to deliver relevant education programmes to businesses and consumers. We aim not to impose unnecessary burdens or costs on business: such costs could only detract from benefits to consumers and the economy.
6. In order to deliver fully and effectively on our mission, we have a series of targets and objectives organised within four broad themes: delivering high-impact outcomes, being a centre of excellence and intelligence, working in partnership, and building our internal capability. In the past year we have made radical changes to our internal structure to be better able to meet the challenges we face and ensure that we are more strategic, focused and coherent as an organisation. A key aspect of the new structure is that it puts together project and enforcement work in three sector-focused market groupings covering goods, services, and infrastructure & knowledge economies; supported by dedicated merger, cartel and scambuster teams.
7. Our aim under this new structure is to take a fully market-informed approach to our work: making full use of intelligence, evaluation and analysis in order to prioritise our action and resources, and taking a robust risk-based approach to current and future problems. All of this is set out in depth in our draft Annual Plan 2007/08³ on which we are currently consulting. This consultation on our Annual Plan forms a strategic tier to our engagement with stakeholders, crucial at working level to much that we do. The Annual Plan/ Annual Report process is part of an accountability regime which relies also on Parliamentary scrutiny such as the present inquiry and on judicial oversight mentioned below.
8. **Enforcement of prohibitions on anti-competitive behaviour.** These apply across the economy and are designed to ensure that the process of competition is protected against misuses of market power. The two prohibitions are those of anti-competitive agreements and of abuse of a dominant market position, contained in the Competition Act 1998 (in force since 2000, with additional criminal powers since 2003) and in Articles 81 and 82 of the EC treaty (which OFT has had powers to enforce fully since 2004). The Competition Act also created a specialist independent appeals body (the Competition Appeal Tribunal (CAT)) with a full merits review jurisdiction over OFT decisions on infringement; the CAT's powers have since been further strengthened to allow it to hear appeals on merger and

³ www.offt.gov.uk/shared_offt/about_offt/349517/oft881p.pdf. Annual plan 2006/07 also relevant www.offt.gov.uk/shared_offt/about_offt/annual_plan_07/annualplan07.pdf.

market decisions. This legislation provides strong enforcement powers which had been lacking before, together with a high degree of judicial oversight. The challenge for us now is to make best possible use of these powers.

9. In the first five years since implementation of the Competition Act 1998, the OFT made a number of high profile prohibition decisions (for example, in the markets for toys and games, newspapers, and replica football kit), and imposed fines originally totalling £60 million (consumer benefit set out in paragraph 20). This effective enforcement activity has been built on over the past year in the form of decisive action against unlawful exchange of future fee information by fifty independent schools, and the imposition of multi-million pound fines in the markets for flat roofing, car park resurfacing, window spacer bars and stock check pads.
10. The National Audit Office (NAO) report on the OFT's competition enforcement work (*Enforcing competition in markets*, published in November 2005)⁴ has made a valuable contribution to appraising and refocusing our work after several years of experience of new legislation. The report recognised the OFT's achievements during a period of dramatic change in the legal environment. It also made a number of recommendations on prioritisation and resourcing of OFT's casework; case management in terms of timescales, cost and quality control; and measurement and communication of the OFT's achievements. The OFT accepted all of the NAO's recommendations,⁵ and has been working over the past year to implement them, in conjunction with the internal change programme that has taken place over the same period, and directed at the same aim of improving the overall focus and impact of the OFT's work. In October 2006, for example, in line with the NAO's recommendation that the OFT provide more information on how it selects competition cases for investigation, we published refocused criteria explaining how it assesses which cases should be pursued, and whether existing investigations should be continued.⁶ The subsequent refocusing of our resources on fewer, high priority competition cases has meant that a number of investigations have been closed; it has also resulted in fewer decisions than originally anticipated in the 2005/6 Annual Plan.
11. **Merger control.** The OFT investigates completed and anticipated mergers above a certain size to assess their competitive effects. Mergers are referred to the Competition Commission, or the OFT accepts undertakings instead of a reference, where it is believed that they might substantially lessen competition. Since 2003 the OFT has operated under the more competition-focused regime in the Enterprise Act, which took Ministers out of the decision-making process for most mergers. This greatly enhanced the independence of the competition authorities in this area

⁴ www.nao.org.uk/publications/nao_reports/05-06/0506593.pdf.

⁵ See OFT evidence before Public Accounts Committee in *Enforcing competition in markets* (42nd Report of 2005-06): www.publications.parliament.uk/pa/cm200506/cmselect/cmpubacc/841/841.pdf

⁶ www.oft.gov.uk/shared_of/press_release_attachments/compcriteria.pdf

(OFT and the Competition Commission – to whom problematic mergers are referred). And it removed the public interest test from merger cases⁷.

12. The 2005 Global Competition Review Rating Enforcement Survey noted that the OFT was still doing good work in mergers, despite the increasing need for in-depth investigations in the first stage. Users praised the decision not to refer the Boots/Alliance Unichem merger as an 'exceptional example of a robust stance on a controversial merger' The OFT is currently reviewing and revising its procedural guidance to ensure that best practice continues to be used by the UK's merger regime.
13. **Market investigation references to the Competition Commission.** This is a mechanism (unique to the UK) where markets in which features adversely affect competition (but which cannot be tackled by the prohibitions on anti-competitive agreements) can be investigated and legally enforceable remedies imposed. As with merger control, since 2003 OFT and the CC have been applying a more competition-focused regime, with the former public interest test removed and no role for Ministers in most cases. For market investigations, as for referred mergers, OFT is the initiator with the CC as second-phase reference body: making the system work well requires close co-operation and co-ordination between us.
14. It is early days to say how well the new regime is working. Seven market investigation references have been made (store cards, LPG, home credit, classified directory advertising, NI banking, groceries, PPI) and airports is a possible future reference: of these, only four have reached the stage of implementation of remedies. Three of these references (home credit, NI banking, PPI) have followed from super-complaints: this is very much in line with Ministers' intentions to empower consumer organisations to bring forward such matters and require OFT to consider what action, if any, it should take.⁸ We recognise that there is an onus on OFT (by the references we make) and the CC (by the remedies that come out of them) to demonstrate that the market investigation mechanism (which the UK retained when it caught up with other countries on enforceable prohibitions on business behaviour) is working well and adding value in driving competition in markets.
15. **Enforcement of consumer protection rules.** Consumer protection legislation, like competition law, has been strengthened considerably in recent years, notably since the 1999 Government White Paper, 'Modern Markets; Confident Consumers'. Ensuing changes to the consumer protection landscape include: introduction of controls on distance selling, rationalisation of civil consumer enforcement and strengthening of self-regulation by the Enterprise Act, establishment of Consumer Direct (now part of OFT) providing national consumer advice, and the Unfair

⁷ Barring exceptional cases where Ministers are involved and take responsibility for considering public interest issues.

⁸ For list and details of individual super-complaints:

www.of.gov.uk/advice_and_resources/resource_base/super-complaints/

Commercial Practices Directive. The OFT enforces some consumer protection rules itself but also has a role to provide strategic leadership for and to champion Local Authority Trading Standards Services (LATSS) to ensure they take a risk-based, proportionate and coordinated approach to their work, including enforcement. Since the Hampton Report⁹ much work has been done on getting a proportionate approach to enforcement and one of the real benefits of the OFT/LATSS collaboration is the ability to use intelligence to prioritise the allocation of resources to deal with the worst aspects of consumer detriment. While protecting individual consumers from exploitative practices is important in itself, we believe it also helps strengthen competition in markets: most consumer protection measures will have a competitive effect through increasing consumer information, empowerment and confidence, but individual measures can have more specific effects eg in enabling distance selling channels to compete more strongly with physical retailing. We would like to highlight this interaction and to emphasise the value we believe comes from OFT being a consumer and competition authority.

16. **Market studies, advocacy, communications.** The OFT has always had the ability to study markets, highlight issues and make recommendations, but those recommendations often had little force. What made it worthwhile for OFT to undertake market studies of the scope and scale it now does was the Government's invitation in the 2001 white paper to competition authorities to advise it on the impact of laws and regulations on competition, and its commitment to respond publicly within 90 days. That provided the assurance that recommendations to Government within a market study report could not simply be ignored. Since then OFT has undertaken over 20 market studies:¹⁰ while there have been other successful outcomes (eg threat of enforcement action changing behaviour, market investigation references to the CC), the majority have resulted in advocacy recommendations to Government. The studies on Public Subsidies and European State Aid Control focused on competition distortion and productivity incentives; the study on Commercial Use of Public information found that more competition in public sector information could benefit the UK economy by around £1 billion a year and made recommendations on guidance, regulatory framework and securing compliance; the Pharmaceutical Price Regulation Scheme is the subject of a major study currently under way. These are examples of where OFT can undertake work that is significant for productivity and economic performance without necessarily going to the CC with a market investigation reference.
17. The OFT regards this sort of advocacy as very important. We believe that the shape of Government regulation can be more significant for the working of some markets than the behaviour of companies and thus have higher impact. Market studies are not our only means of advocacy. We frequently have direct dialogue with Government departments on the development of new legislation (sometimes as part

⁹ www.hm-treasury.gov.uk/media/A63/EF/bud05hamptonv1.pdf

¹⁰ For list and details of individual studies: [www.offt.gov.uk/advice and resources/resource base/market-studies/](http://www.offt.gov.uk/advice_and_resources/resource_base/market-studies/)

of our role to advise on competition assessments within the regulatory impact assessment (RIA) process). We also undertake free-standing pieces of work and pursue lines that arise in connection with enforcement or other activity including earlier market studies. Published examples of recent OFT advocacy work are the guide (with the Office of Government Commerce) to public procurers of construction services,¹¹ a review on schools' uniforms policies,¹² and a recent collaboration with CAA to produce a report for DG Tren on the impact of liberalising airport slot trading.¹³

18. Our advocacy work links across to wider communications. Government will be more inclined to shape regulation to support competition if there is broad public understanding of the value to them of competition in markets. Publicity for OFT successes is important in developing such understanding, as is communication with business. We aim to ensure that effective communications are embedded into all aspects of the OFT's work. In September 2006, a new Business Communications team was established: its aim is to educate and support businesses and to work with them rather than simply telling them about their obligations. It takes forward OFT's drive to promote the benefits of competition to businesses, encouraging compliance and high standards of service to consumers.
19. **Value for money.** The OFT's budget for the current year is £55m (plus £19m for Consumer Direct). We have achieved efficiency savings of 3 per cent and 5 per cent, last year and this year. On funding, we believe strongly that our independence is best preserved through continued funding direct from HM Treasury, rather than through the DTI, as has been mooted in the past.
20. A very conservative analysis of the impact of our competition enforcement work suggested it saved consumers at least £750m over the years 2000-2005 compared to a cost to OFT/CC of £98m over the same period. The positive impact is likely to be much larger than this, as indicated by preliminary results of our research into the deterrence effect of the UK competition regime. An example of competition case which led to considerable consumer savings was the Replica Football Kit price-fixing case, where our intervention reduced prices significantly and resulted in savings of £15 for an adult shirt.
21. There is evidence of value for money in a number of other areas of our work. The evaluation of the OFT market study into new car warranties showed that the study saved consumers around £150m, compared to a cost of £300k. An independent evaluation of the OFT training provided to LATSS in the use of the Enterprise Act 2002 found that the training saved local government £5m per year through increased efficiency even though the total cost of the support is £150k per year. A

¹¹ www.offt.gov.uk/shared_offt/reports/comp_policy/oft892.pdf

¹² www.offt.gov.uk/news/press/2006/135-06

¹³ www.offt.gov.uk/shared_offt/reports/oft_response_to_consultations/oft832.pdf

recent evaluation of the OFT Consumer Code Approval Scheme suggests that the scheme delivers consumer benefits with minimal extra burdens for members.

22. With CSR 2007, we have agreed to deliver measurable benefits to UK consumers of five times our annual budget for all activities excluding Consumer Direct (and 3.5 times budget for Consumer Direct). We are devoting increasing effort to measure the impact of our work through independent evaluations and internal monitoring; evaluation feeds back to better prioritisation and improved outcomes. We have started embedding anticipation of evaluation into our market studies and merger work.
23. **Regulatory impact.** OFT is a strategic body, making targeted interventions in markets, rather than a front-line regulator setting rules and standards or carrying out inspections and other routine interventions to ensure that particular businesses or sectors comply with them. We are not in the position of having to do RIAs on proposed regulations, but we follow similar principles in considering the individual actions that we take. As noted in paragraph 5, we regard avoiding unnecessary burdens as a key part of achieving our objectives. We are committed to acting in a manner which is proportionate to the matter in hand. This will affect the use of particular tools to effect the most appropriate and proportionate outcome. We will also consider carefully, and at an early stage, what remedies (including settlement) might be most appropriate. We have statutory duties to issue guidance and to consult on it; and, as set out in paragraph 18, we pursue wider engagement with business.
24. In our work we aim to ensure that we conduct ourselves in a transparent manner and that parties are regularly informed of the status and anticipated time frame of the inquiries in which they are involved. And we aim to specify information requests clearly.

Part 2: Sector regulators

25. The defining characteristic of such economic regulators is that they have sector-specific regulatory regimes designed in part to promote competition in their sectors. These may among other things create the framework in which markets can operate (eg trading arrangements) or substitute for structural deficiencies in competition (eg price control or requiring standards of service where these cannot be driven by market forces). It is not generally intended that sector-specific regulation should substitute for the application of general competition law (see paras 8-14).
26. Competition rules and sector regulation run alongside each other in some sectors, so some regulators have concurrent competition powers with the OFT to:
- enforce the prohibitions on anti-competitive agreements
 - make market investigation references to the CC

in addition to their sectoral powers. (Note there is no concurrency for merger control which is solely an OFT/CC responsibility.) Concurrency is a unique system that may not yet be fully bedded in. Following an HMT/DTI review,¹⁴ we are working with the sector regulators to improve it.

27. Regulators with concurrent competition powers are: Ofcom, Ofgem, Ofreg NI, Ofwat, ORR, CAA (but only on air traffic control services, not on airport regulation). For OFT, the main interaction with concurrent powers regulators is in ensuring that there is clarity on who should take action, in sharing best practice, and in working jointly on matters such as publishing guidance. Coordination of concurrent competition powers is handled through the Concurrency Working Party (CWP) chaired by OFT (Postcomm attends as an observer).
28. In their respective responses to the HMT/DTI report, CWP¹⁵ and OFT¹⁶ have made certain proposals to improve the system. OFT proposes that it (having consulted CWP) should report to the Joint Regulators Group (JRG) on an annual basis, providing an overall view about whether competition law is being applied consistently and pro-actively across all sectors. This will be valuable in promoting consistency and an effective way of enhancing the relationship between CWP and JRG.
29. OFT also recommends that:
- CWP members should alert each other when they send statements of objections or send summaries of competition concerns in commitments cases

¹⁴ URN 06/1244, May 2006: www.dti.gov.uk/files/file29454.pdf.

¹⁵ www.ofst.gov.uk/shared_ofst/reports/ofst_response_to_consultations/ofst900b.pdf

¹⁶ www.ofst.gov.uk/shared_ofst/reports/ofst_response_to_consultations/ofst900a.pdf

- All regulators should publish their assessment criteria employed when deciding whether to use competition enforcement or regulatory powers
 - Government should consider addressing anomalies in the scope of concurrent powers (notably CAA's) and in process (perhaps seeing if it is now possible to specify an alternative arbiter to the Secretary of State in any case allocation disputes that might arise under the Concurrency Regulations).
30. Where a regulator has concurrent powers, the visible interface is the choice between OFT using competition powers or the relevant regulator using its competition powers, leaving the interface between competition and sectoral powers largely internalised within the regulator. For sector regulators without concurrent powers (including CAA in respect of airports) the interaction with OFT is different: here the visible interface is between the OFT using competition powers and the regulator using sectoral powers. To assist in relations with those regulators which do not have concurrent powers, the OFT has memoranda of understanding, in particular with CAA (revised in December 2006) and Postcomm. While OFT considers that these are useful, it is co-operative work on the ground that is most important.
31. Among regulators without concurrent competition powers, OFT has greatest interaction and dealings with the FSA. That is because, as well as the interaction between OFT's competition powers and FSA's sectoral powers, there is a great deal of interaction on the consumer protection side, arising in part from our joint powers under the Unfair Terms in Consumer Contracts Regulations as well as OFT's role in consumer credit licensing. Both the OFT and FSA are committed to working closely together where our interests overlap, as demonstrated though the OFT/FSA Joint Action Plan published in April and updated in November 2006.¹⁷ Payment protection insurance (PPI) provides a good example of how well the OFT and FSA can work together to tackle key consumer problems. The National Audit Office (NAO) is currently conducting a review of the FSA, including the way the FSA works with other bodies such as the OFT. The OFT has contributed to this review, which we understand is likely to be published in spring 2007 and may provide a useful source of information on co-operation between OFT and FSA.

¹⁷ These are available at www.offt.gov.uk/shared_offt/about_offt/oft838.pdf and www.offt.gov.uk/shared_offt/about_offt/oft879.pdf

Part 3: International

32. The OFT engages in international activities in its enforcement capacity and through contributions to competition and consumer policy developments at the international level. The OFT's international work has grown, reflecting the increasing impact of EC and international policy and regulation on the UK's competition and consumer protection regime. Moreover, exchanging best practice and cooperating with our counterparts enhances the delivery of our core functions. The OFT works with its international counterparts to promote convergence and a consistent international approach to tackling anti-competitive practices, reflecting the increasing globalisation of business transactions. The OFT provides assistance to new competition agencies to develop their enforcement expertise, which has a knock-on effect of helping to promote the wider benefits of competition to governments in recipient countries.
33. A key function of the OFT's international activity is the coordination of competition law enforcement. The OFT is a member of the European Competition Network (ECN) which is a forum for discussion and cooperation between European competition authorities in cases where Articles 81 and 82 of the EC Treaty are applied. It ensures an efficient distribution of work and an effective and consistent application of EC competition rules. The OFT also ensures that European and national mergers are assessed by the best placed competition authority, and advises on those transactions considered under the European Community Merger Regulation. Increased contact between competition agencies has improved cooperation on related cases across different jurisdictions, such as the handling of the MasterCard cases by a number of EU Member State competition agencies and overseas authorities. Identifying issues of common interest and coordinating efforts, as well as comparing results and findings, has a greater impact on tackling anti-competitive practices at both the national and international levels rather than authorities going it alone.
34. At the wider international level the OFT is an active member of the OECD and the International Competition Network (ICN). The latter is a virtual organisation established by competition authorities to discuss a range of practical competition enforcement and policy issues, with the objective of sharing experiences, exchanging views and improving international co-operation on competition issues. The OECD, the ICN and the ECN have greatly increased international collaboration, co-operation and contact between competition authorities, with a common interest in sharing experiences and developing and exchanging best practice. Merger notification rules have been dramatically affected by the ICN's merger notification guidelines, with many countries amending their merger notification rules in line with the network's guidelines. The OECD debates and negotiates Recommendations, for example on hard core cartels, against which members are encouraged to align their policies. At the EU level, the recent reform of the ECMR aligned the EU's substantive test for assessing mergers with the effects-based test used by other large jurisdictions including the UK, Canada, and the US, thereby promoting

efficiency rather than a more legalistic approach. Although our international remit covers both competition and consumer protection policy developments, the OFT has taken a pro-active lead on the competition side where the international discussions focus on the development of enforcement policy, whereas the DTI continues to lead formally on international policy development on the consumer side (with expert input from the OFT's enforcement perspective).

35. Promoting international convergence of competition policies reduces administrative costs and burdens to business; multinational enterprises can be confident of similar treatment in different jurisdictions. Work on improving convergence highlights that an effective competition policy is an important instrument of good economic policy.
36. The OFT benefits from the exchange and promotion of best practice through these networks and international organisations. Officials are able to draw on the discussions and exchanges at key international and bilateral meetings to inform their approach to policy development and case handling. The OECD, for example, brings together leading competition authorities, business and consumer representatives to discuss best practice in the assessment of harm to competition. These discussions and reports are valuable reference tools for OFT staff.
37. Much of the Government's strengthening of OFT's role set out above was based on lessons learnt from others (Competition Act prohibitions modelled on the EC competition provisions, invitation on competition advocacy based on example of the Italian competition authority). The way we have developed our role has drawn from the experience of others (eg leniency policy on cartels followed the US experience, since widely adopted elsewhere, including within the EU) and continues to do so (eg we have been interested to learn from those few organisations around the world which are joint consumer and competition authorities in order to get best value from that interaction).
38. As a mature competition agency, the OFT recognises the importance of developing the capacity and expertise of newer agencies in developing and transition economies. The OFT provides technical assistance to overseas agencies through the organisation of study visits and participation in external projects organised by organisations such as DfID, UNCTAD and the OECD. This technical assistance work enables the OFT to support wider UK trade and development objectives of encouraging recipient countries to introduce and enforce competition law as part of broader economic reform.
39. In relation to its competition, consumer and regulatory regimes, the UK is often a thought leader internationally. Peer reviews of the UK's competition regime, conducted by the OECD in 2002 and 2004 concluded that: '...the UK has an invigorated and modern general competition enforcement system [and]... competition policy concepts are at the centre of the UK's economic policy approach' and that 'competitive pressures appear to be relatively strong in the

United Kingdom, with economic and administrative regulations inhibiting competition and barriers to trade amongst the lowest in the OECD.'

Part 4: Response to Committee's specific questions

Q1. OFT does not have an overarching statutory remit, it has powers and duties under a number of statutes. We operate within a clear understanding of the Government's vision (see paragraph 2 (p2) above) and have adopted a mission statement and objectives, to give coherence and direction to our work (p5, p6).

Q2. See p2, p19.

Q3. See p6, p9, P10, p19, p20, p21.

Q4. See p27, p28, p29.

Q5. Not relevant to OFT in terms of a specific industry. But see p18 on business communications and p24 on specifying information.

Q6. See p8 (appeals), p23, p24. (As noted, we will often be keen to discuss settlement if companies are willing to self-correct. However there is importance in sometimes taking cases forward, for both deterrence and precedent value. If firms are always able to avoid action ex post through 'self-correction', we will never achieve any ex-ante deterrence.)

Q7. On changes, see p6, p7.

Q8, Q10, Q11. Properly functioning markets and consumer welfare are at the heart of all our work: public interest tests have largely disappeared from areas of competition law (p11, p13). When we put forward consumer and competition interests in our market studies and other advocacy (p16, p17) it is for Government to take account of wider policy considerations and hence other aspects of public interest.

Q9. For OFT effectiveness in applying competition law, see p9, p10.

Q12. In terms of general competition law, the whole purpose of a strong competition regime is to drive economic performance and consumer value (p1).

Q13, Q14. As OFT is not strictly a regulator (p5) we do not deal specifically with these questions.

Q15. See p32-39

Q16. As far as application of general competition law is concerned, foreign ownership presents no specific and identifiable problems.

Q17. See p23, p24; p35 also relevant.

Annexe A

Parliamentary appearances by OFT

Session	Committee	Topic	OFT evidence	Government response
2006-2007	HC Treasury Committee	The scope of FSA insurance regulation To be published	Oral evidence given 23 November 2006 by Mr Alan Williams (Director, Markets and Projects – Services), Ms Jennifer Halliday (Markets and Projects – Head of Reviews) and Ms Siobhan Furlong (Policy and Strategy), Office of Fair Trading	
2005-2006	Joint Committee on the Draft Legal Services Bill	Draft Legal Services Bill Committee published its report on 25 July 2006 (HC 1154-I, HL Paper 232-I)	Oral evidence given 6 June 2006 by Mr Philip Collins (Chairman) and Mr Grahame Horgan (Competition Policy Division), Office of Fair Trading Memorandum by the Office of Fair Trading	The Government Response was published on 25 September 2006 , Cm 6909
2005-2006	HC Public Accounts Committee	Forty-second report, Enforcing competition in markets HC 841, 16 May 2006	Oral evidence given Wednesday 18 January 2006 by Mr Philip Collins, Mr John Fingleton and Mr Vincent Smith, Office of Fair Trading. Written evidence	Treasury minute published as Cm 6884, July 2006.

Session	Committee	Topic	OFT evidence	Government response
2005-2006	HC All-Party Parliamentary Group for Small Shops	High-street Britain 2015, 15 November 2005	<p>Written evidence in form of an opening statement to the oral evidence by John Fingleton (Chief Executive)</p> <p>Oral evidence given by Mr John Fingleton (Chief Executive), Ms Hannah Priest (Legal Advisor, Market and Policy Initiatives Division) and Mr Jonathan May (Divisional Director, Market and Policy Initiatives Division), Office of Fair Trading</p>	
2004-2005	HC Transport Committee	Fifth Report, Rural Railways, HC 169 I-II, 15 March 2005	<p>Oral evidence given 15 December 2004 by Mr Vincent Smith (Director of Competition Enforcement) and Mr Nooman Haque (Principal Case Officer), Office of Fair Trading</p> <p>Supplementary memorandum by the Office of Fair Trading</p>	Government response published as Fifth Special Report, HC 587 2005-2006, 25 October 2005
2004-2005	HC Trade and Industry Committee	Second report, Pub companies, HC 128 I-II, 21 December 2004	<p>Oral evidence given Wednesday 8 September 2004 by Mr John Vickers (Chairman), Ms Christiane Kent (Director, Competition Enforcement) and Mr Bob MacDowall (Principal Case Officer), Office of Fair Trading</p> <p>Written evidence</p>	<p>Responses published as Fourth special report, HC 434 2004-2005, 14 March 2005.</p> <p>OFT response was Appendix two</p>

Session	Committee	Topic	OFT evidence	Government response
2003-2004	HC Environment, Food and Rural Affairs Committee	Ninth report, Milk pricing in the United Kingdom, HC 335, 8 June 2004	<p>Oral evidence given Wednesday 31 March 2004 by Ms Penny Boys, Mr Alan Williams and Mr Bob Gaddes, Office of Fair Trading</p> <p>Memorandum submitted as written evidence by the Office of Fair Trading - unprinted</p>	<p>Government (DEFRA) and Office of Fair Trading replies published as Thirteenth Special Report, HC 1036 2003-2004, 14 September 2004.</p> <p>Jointly agreed government reply, and a separate OFT response</p>
2003-2004	HL Select Committee on the Constitution	Sixth report, The regulatory state: ensuring its accountability, HL 68 I-III, 6 May 2004	<p>Oral evidence given Wednesday 5 November 2003 by Mr John Vickers, (Chairman) and Ms Penny Boys (Executive Director), Office of Fair Trading</p> <p>Memorandum submitted</p>	Government response published as Twelfth report, HL 150, 26 July 2004
2003-2004	HC Transport Committee	Third report, The Regulation of Taxis and Private Hire Vehicle Services in the UK, HC 251I-II, 12 February 2004	<p>Oral evidence given Wednesday 28 January 2004 by Mr Jonathan May (Director of Markets and Policy Initiatives Division), Mr Daniel Gordon (Director of Market Studies) and Keith Davis (Team Leader, Taxi and Private Hire Vehicle Market Study), Office of Fair Trading</p> <p>Memorandum by the Office of Fair Trading</p>	Office of Fair Trading's response published as Fifth report, HC 418 2003-2004, 5 March 2004

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2003-2004	HC Treasury Committee	First report, Transparency of credit card charges, HC 125, 17 December 2003	<p>Oral evidence given Tuesday 9 September 2003 by Mr John Vickers, (Chairman) and Ms Christine Wade (Director of Consumer Regulation Enforcement Division), Office of Fair Trading.</p> <p>Oral evidence given Tuesday 4 November 2003 by Mr John Vickers (Chairman), Ms Penny Boys (Executive Director), Mr Ray Hall (Director of Consumer Credit and Estate Agency) and Ms Christine Wade, (Director, Consumer Regulation Enforcement), Office of Fair Trading.</p> <p>Written evidence</p>	<p>Responses published as Second special report, HC 431 2003-2004, 16 March 2004.</p> <p>OFT response was Appendix two</p>
2002-2003	HC Public Accounts Committee	Thirty-fourth report, The Office of Fair Trading: progress in protecting consumers' interests, HC 546, 9 July 2003	<p>Oral evidence given Monday 17 March 2003 by Professor John Vickers, Miss Penny Boys, and Miss Caroline Banks, Office of Fair Trading</p> <p>Written evidence</p>	Treasury minute published as Cm 5962, 25 September 2003

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2002-2003	HC Health Committee	Fifth Report, The Control of Entry Regulations and Retail Pharmacy Services in the UK, HC 571, 17 June 2003	Oral evidence given Thursday 3 April 2003 by Mr Jonathan May (Divisional Director) and Mr Matthew Johnson (Economist), Office of Fair Trading	Government response published as Cm 5896, July 2003
2002-2003	Scottish Parliament Health and Community Care Committee	OFT report: The Control of Entry Regulations and Retail. Pharmacy in the UK Consultation announced by Scottish Executive on 17 January 2003	Oral evidence given 11 March 2003 by Dr Martin Graham and Mr Charles Whitworth, Office of Fair Trading	
2001-2002	HC Transport, Local Government and the Regions Committee	Seventeenth report, Bus industry, HC 828-I-II, 12 September 2002	Oral evidence given Wednesday 15 May 2002 by Mr John Vickers, Mr Justin Coombs and Mr Gover James, Office of Fair Trading Memorandum by Office of Fair Trading Letter from John Vickers, Director General of Fair Trading, Office of Fair Trading	Government and Office of Fair Trading responses published as First special report, HC 97 2002-2003, 26 November 2002

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2001-2002	HL European Committee	Thirty-second report, The Review of the EC Merger Regulation, HL 165, 30 July 2002	Oral evidence given 21 May 2002 by Mr John Vickers, Director General, and Ms Margaret Bloom, Office of Fair Trading Supplementary letter dated 21 June 2002	Government response published as Forty-eighth report, HL 195 2002-2003, 4 February 2004
1999-2000	HL European Committee	Nineteenth report, Strengthening the role of the Hearing Officer in EC competition cases, HL 125, 24 November 2000	Oral evidence given 4 October 2000 by Office of Fair Trading	Government response published as Second report, HL 13 2001-2002, 23 November 2001
1999-2000	HC Public Accounts Committee	Thirty-seventh report, The Office of Fair Trading: protecting the consumer from unfair trading practices, HC 501, 30 August 2000	Oral evidence given 15 May 2000 by Mr John Bridgeman (Director General), Miss Caroline Banks (Director, Consumer Affairs) and Ms Rosemary Heyhoe (Director, Resources and Services), the Office of Fair Trading Memorandum by the Office of Fair Trading	Treasury minute published as Cm 4901, 16 November 2000
1999-2000	HL European Committee	Fourth report, Reforming EC competition procedures, HL 33, 29 February 2000	Oral evidence given by Office of Fair Trading	Government response published as Thirteenth report, HL 94 1999-2000, 15 August 2000