

The Carpet Foundation

Consumer Codes Audit

31 October 2022

Background information

Established in 1999, The Carpet Foundation (TCF) is a not-for-profit trade association representing the interests of and promoting independent carpet retailers. The Carpet Foundation accepts membership from independent carpet retailers and currently has 381 members with over 400 branches. They do not admit large multiple retailers to membership. The retailers pay a monthly membership subscription (the charge is made per branch) in order to fund the work of TCF and provide resources for the Consumer Code of Practice. The Consumer Code of Practice is a mandatory requirement for all Carpet Foundation retail members. In addition to the retail members, The Carpet Foundation is supported by Carpet Manufacturers and industry suppliers via the Patron membership scheme.

Audit Process

A qualified trading standards professional from the Chartered Trading Standards Institute (CTSI) completed a one-day desktop audit. The audit focused on the following areas: -

1. Member Application Process including checks carried out on prospective businesses
2. Existing Member Inspections/Audit content and process (including general compliance with the code, staff training and dealing with consumer complaints)
3. Membership Withdrawal and Sanctions for Non-Compliant Member Businesses
4. Marketing and Advertising by Member Businesses
5. Terms and conditions and other pre contractual information (including cancellation rights, deposits, delivery times, guarantees and warranties)
6. Customer service provisions (including support for vulnerable consumers)
7. Consumer complaints process (including ADR)
8. Customer satisfaction and feedback, information/complaints from enforcement agencies, and how this information is used to develop and improve the code

Audit Summary

The Carpet Foundation is broadly fulfilling its obligations as a code sponsor to ensure that its member base is compliant with the Consumer Codes Approval Scheme core criteria and The Carpet Foundation Code of Practice. Onsite audits have continued to be an area of concern; however, this does not affect the codes effectiveness. (See comments in body of report).

Member Application Process

The Carpet Foundation (TCF) has a documented member application process which continues to be comprehensive and well structured.

Since the last audit, TCF has accepted one new member.

TCF has advised that, due to Covid 19 restrictions and remaining vulnerabilities, new members do not receive a personal visit from a Carpet Foundation representative to assess suitability for Code membership.

New joiners who start without a formal visit are subject to the application checks as follows:

- Checks are made to ensure that applicants have a retail outlet and a minimum of two active accounts with Patron member manufacturers. If an applicant is a member of a Buying group, it automatically meets these criteria
- Every applicant must sign up to adhere to the Code
- Once approval is granted, the retailer is contacted via phone/email.

The completed application beginning was examined and checked against the process. It was fully compliant.

Existing Member Inspections/Audit

TCF carried out two types of audits, the first being an annual compliance audit via fax/email to approximately one third of members, meaning all members are audited within a three-year cycle. However, this has now reverted to solely remote.

During 2022, the initial tranche of letters were sent in February, 62 completed compliance forms were returned from a total of 156 forms sent. Member businesses who had not responded were sent a prompt letter in April which increased the response figure to 87. A final reminder increased returns to 113. TCF feel that the 78% response based on the initial request is reasonable.

The second type of audit TCF performed was a 'mystery shopper' audit, which entailed a personal visit to members chosen at random or to any member who TCF have concerns about. Previously TCF aimed to complete about 50 of the 'mystery shopper' audits every year. TCF found this has proved impossible due to Covid-19 lockdown and restrictions and took the decision not to continue with the mystery shopper audit programme during 2021. Since the last audit TCF have had three separate discussions with CTSI regarding compliance visits to see if there was any learning to be gained from other sponsors and from CTSI themselves. To date this has not proven to be the case.

There are no plans to resurrect mystery shopper and to concentrate on the remote audits.

At the last audit, TCF indicated that they were planning audits by Zoom, Facetime or Skype. However, as members were closed for many weeks due to government Covid 19 restrictions, it has been impossible to schedule any meetings. TCF attempted some audits by phone when member's stores reopened but this ceased as they felt that they risked alienating owners who were busy trying to cope with pent-up demand and supply issues. Again, these were found to be very disruptive for members and was not considered successful or viable in the future.

Onsite visits are maintained as an option where there are serious or repeat complaints against an individual member.

Onsite audit reports were monitored and reviewed for trends.

Observation: Onsite audits and mystery shopper visits have been curtailed and resources moved to remote audits with a high return rate. This is considered to be the most efficient, effective and cost-effective method of code monitoring. TCF should review the current questions to determine if more in depth questions could enhance the process.

Membership Withdrawal and Sanctions for Non-Compliant Member Businesses

The Carpet Foundation has a documented membership cancellation procedure.

In the last year 26 members have left. Of these: -

- 11 were due to long term non-payment
- 1 branch closure
- 1 business closure
- 1 resignation due to retirement
- 2 no longer sell domestic carpet, interior design only
- 1 no longer sells carpet
- 1 closed due to retirement
- 5 no perceived added value to business
- 2 bottom line cost reductions
- 1 business sold

Of these, the details of three members were checked against the procedure. Electronic copies of exit letters were checked. None were listed in the CTSI Directory, display The Carpet Foundation or CTSI logos, or had any references to TCF on their websites.

There are no members in the disciplinary process.

Consumer Complaints Process

The Carpet Foundation has become an approved Alternative Dispute Resolution (ADR) provider and has moved to a fully compliant ADR for the whole complaints process. Five formal referrals were made under ADR in the last 12 months. All were resolved at conciliation stage; none went to Arbitration.

Marketing and Advertising by Member Businesses

All members' websites, advertising and promotional materials are checked by the Carpet Foundation at the application and audit stages.

The Carpet Foundation provides all members with point-of-sale material promoting the code. It is also supplied in print and digital format.

During this audit the websites of members whose details were supplied (i.e., new member and recently audited members) were checked for the presence of the CF logo.

Terms and Conditions and other Pre-Contractual Information

It is a requirement of the code that members have complaint terms and conditions. CF encourage all members to have terms and conditions available for their customers and if asked they suggest members to obtain Ts&Cs via their own legal advice. To date CF have never had a problem with this policy from either a member or a customer.

Customer Service Provisions

All members have national rate customer telephone numbers or are contactable via email. There was no evidence of non-compliance found on audit.

Customer Satisfaction and Feedback

Customer feedback is available via the CTSI Online Directory. On the previous advice of CTSI the online feedback page was removed from the Carpet Foundation website.

Retailers are provided with a Consumer Code leaflet that they either distribute by hand, email or post to customers. This invites customers to go to the Carpet Foundation website and give feedback. CF find that most consumers, if they have a problem, call the Carpet Foundation direct, or email from the contact page on the Carpet Foundation website.

CF do not monitor member web sites for satisfaction reviews as they have no remit (or resource) to do so, further they not sure if this course of action would be well received by their members.

Conclusions

The Carpet Foundation is fulfilling its obligations as a code sponsor to ensure its member base is compliant with the Consumer Codes Approval Scheme core criteria and the Carpet Foundation Code of Practice.

The enhanced numbers of remote audits are considered satisfactory having regard to the nature of code members and the low number of complaints against code, members and referrals to ADR.