
The Carpet Foundation Audit

16 September 2019

Background information

Established in 1999 the Carpet Foundation (CF) is a not for profit trade association representing the interests of and promoting independent carpet retailers. The Foundation encourages membership from independent carpet retailers and currently has 380 members with 405 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 the Foundation 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 desk top 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

There are no outstanding actions from the 2018 audit.

The auditor observed in the 2018 audit report that model terms and conditions issued by the Carpet Foundation required urgent review in the light of recent legislative changes. However, the Carpet Foundation has decided to withdraw this document and recommend to members they obtain advice from their local Trading Standards Service.

The Carpet Foundation has advised there are no planned changes to the content or operation of the code.

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

Member Application Process

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

- This year all new members received a personal visit from a Carpet Foundation representative to assess suitability for Code membership

If new joiners start without a formal visit the application checks are 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 the criteria.
- Every applicant must sign up to adhere to the Code.
- Once approval is granted the retailer is contacted via phone / e mail.

Two completed applications beginning with the letter B were examined and checked against the process. All fully complied.

Existing Member Inspections/Audit

Audits are sent to named individuals and a follow up procedure is in place to generate the required number of responses. Any retailer not achieving compliance is immediately contacted via email/writing and requested to comply and is also flagged up for a personal visit.

The Carpet Foundation carry out two types of audit. The first is a compliance audit via fax/email to a third of members and is carried out annually. This means that all members are audited on a three-year cycle. In 2018/2019 75 completed compliance forms were received from a total of 100 selected for participation.

The second type of audit is essentially a mystery shopper audit with personal visits to either random retailers or retailers who have been identified as not fully compliant. The target is to achieve fifty mystery shops each year. In 2018/2019 fifty visits were carried out with three non-compliant members. These were contacted by letter and subsequently visited. The mystery shopper also carried out onsite training for those traders who were non-compliant.

The auditor examined documentation relating to five of the most recently completed compliance questionnaires and five mystery shopper exercises.

All questionnaires and follow up correspondence sent to non-compliant members were checked and found to be satisfactory.

The importance of members training staff regarding their legal responsibilities under the code is stressed by the Carpet Foundation. To assist this process all retailers are provided with a consumer leaflet which highlights the features and benefits of the Code. New members have the option of receiving onsite training from a Carpet Foundation representative. In addition, the same Carpet Foundation representative will give training to any retailer who is non-compliant.

Membership Withdrawal and Sanctions for Non-Compliant Member Businesses

The Carpet Foundation has a documented membership cancellation procedure.

In the last year five members resigned. 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 or displaying the Carpet Foundation or CTSI logos or had any references to them on their websites.

In addition, 17 members were lost due to shop closure, retirement, ill health, non-payers and liquidation.

There were 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 fully EU Directive compliant ADR for the whole complaints process.

The latest annual report was examined as part of the audit process and will be available on the Carpet Foundation website.

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.

The audit found no issues of concern with marketing and advertising.

Terms and Conditions and other Pre-Contractual Information

It is a requirement of the code that members have terms and conditions. Model terms and conditions were issued by the Carpet Foundation to all members however these have since been withdrawn. Members are now encouraged to seek advice from their local Trading Standards Service with regard to legal compliance.

Customer Service Provisions

All members have national rate customer telephone numbers or are contactable via e mail.

There was no evidence of noncompliance found on audit.

Customer Satisfaction and Feedback

Customer feedback is available on the CTSI Online Directory. On the advice of CTSI the on line feedback page was removed from the Carpet Foundation website.

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

Conclusions

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