

TRADING STANDARDS INSTITUTE CONSUMER CODES APPROVAL BOARD CIC

THIRD MEETING OF CONSUMER CODES APPROVAL BOARD

Minutes of Meeting held on 29th October 2013
Marriott London County Hall Hotel, Westminster Bridge Road, London

Present: C. Crawley (Chair), T. Perchard, S. Brooker, A. Foster, L. Livermore, V. Olowe

In attendance: T. Allen

Apologies: B. Hughes

<u>Minute</u>	<u>Comments/Decision</u>	<u>Action</u>
	The meeting commenced at 10:35	
CCAB15	<p>Minutes of the last meeting</p> <p>The minutes of the meeting held on 3rd July 2013 were agreed as a correct record.</p>	
CCAB16	<p>Matters arising</p> <p><u>Scheme of Delegation</u></p> <p>TA raised asked the Board to reconsider its decision recorded in minute CCAB12 concerning the scheme of delegation. The Board had decided that the determination to set an alternative fee calculation should be reserved to the full Board. TA pointed out that this would result in a disparity between code sponsors where the level of the fee contribution to the scheme for those determined by alternative fee calculation would be known to the Board, whereas those that were set by the standard method would not. It was felt that this matter was better dealt with by the executive.</p> <p>The Board discussed the issue. VO suggested that the Board should set the principles rather than the individual amount. TP expressed concern that the fee setting needed to be consistent over time and the Board needed to be assured that the principles are being properly applied. LL gave information about a potential current example of the difficulty.</p>	

It was agreed that the scheme of delegation be amended so that paragraph 7.4 reads that the determination of an alternative fee calculation should be delegated to the Executive in consultation with the member of the Board who leads on Finance, Audit and Risk.

Lead Roles for Board Members

The Board discussed the proposal in minute CCAB11 that individual members of the Board adopt an informal 'champion' role for particular aspects of the work of CCAB.

The Board agreed that:

- VO would lead on Audit, Finance and Risk
- SB would lead on Performance Monitoring and Statistics
- TP would lead liaison with the Consumer Advisory Panel
- BH & CC would lead liaison with the Code Sponsors Panel

TSI Financial Regulations

The Board noted the TSI Financial Regulations. VO asked what TSI's Reserves Strategy was and it was agreed to raise this question with R. Martin (TSI's Director of Finance).

Introduction to Current Code Sponsors

The Board noted the introduction to current code sponsors that was circulated.

Conflict of Interest & Lobbying Policy

The Board approved the conflict of interest and lobbying policy that had been prepared. The Board asked for TSI's gifts and hospitality policy to be included.

CCAB17 **Recruitment of a Service Director (Commercial Services)**

AF updated the Board on progress with the recruitment of a Service Director (Commercial Services), which includes as an aspect the strategic leadership of the Consumer Codes Approval Team. He advised that interviews had been held and that a preferred candidate had been identified, but no offers had yet been made.

CC asked what plans were in place for transition from the current programme team to the new team. AF advised that the current programme team were retained until March 2014, so there was plenty of opportunity for a smooth transition.

CCAB18 **Strategic Vision**

CC introduced the strategic vision paper, which was a distillation of the discussion at the previous Board meeting. This would form the basis of feeding in to the annual business plan and all of the

TA/RM

TA

other strategies advanced by the Board.

LL said that he wanted a vision to inspire and there was general debate around the terms of the vision and how to properly articulate it.

The Board agreed to adopt a vision that:

“Every UK consumer to have the choice of a reputable and trusted trader”

The Board also agreed to adopt five strategic objectives:

- That we establish the TSI code approval scheme as a recognised and trusted brand
- That we have a measurable impact on consumer detriment
- That businesses feel part of the solution to issues impacting on fairness in their sector
- That we raised standards and remove confusion in the approval landscape
- That we grow the scheme so that our ambitions can be realised

CC said that it was important to retain the ‘measurable driver of choice’ point to ensure that we can demonstrate the added value.

CCAB19 **Scheme Development and Opportunities**

LL introduced some of the issues currently in the consumer landscape that the Board needed to be aware of.

Used Cars

LL updated the Board on a meeting between LL, CC and Jo Swinson, Consumer Minister concerning the used car sector. It is clear that there is government desire for a used car sector code of practice, but that the industry have a number of obstacles to overcome before one is likely to be forthcoming. LL updated the Board on important announcements on this issue that the Consumer Minister intends to make at the launch of National Consumer Week on 4th November 2013. TP pointed out that we have been here before and that the Department of Transport had attempted to develop something through the Motorists Forum with mixed success.

Alternative Dispute Resolution

LL reminded the Board of the forthcoming implementation of the ADR Directive. There remains considerable uncertainty over proposals, but BIS have indicated their intention to consult in January and develop proposals by next Autumn. The Directive requires implementation by Spring 2015. With such uncertainty, LL said that it was difficult for TSI to take any firm position on the Directive, but that it was planned to take a paper to the TSI Board on 5/12/13 to discuss it further. LL explained the risks and

opportunities that the Directive presents.

SB provided some insight into the ADR proposals following work commissioned by the Legal Services Consumer Panel – which is due to report in December. He asked for a more detailed report to be brought back to the next CCAB meeting.

VO declared an interest as a member of the Council of the Property Ombudsman. He said that TSI and CCAB would need to consider carefully any potential conflicts of interest in taking on the role of competent authority under the Directive.

AF highlighted the fact that, already TSI is potentially in the frame to undertake the ADR approval process for estate agency and lettings management. That could form a useful pilot scheme.

The Board concluded by agreeing to keep talking to BIS about the ADR Directive, but that they would probably want decisions more quickly than we are able to give them. The Board agreed to receive a paper on this at the next meeting.

LL & Andy
Allen (TSI)

CCAB 20 **Communications and Marketing Strategy**

The Board received a draft communications and marketing strategy. The board agreed that this is work in progress and needed to feed into a rolling programme of communications and marketing activity.

LL set out the key points from the strategy and the Board had a debate about them. VO said that the aspirations were right, but we needed to give ourselves enough time and space to achieve them. TP asked why we had singled out the 31 – 45 year old age group for targeting. SB asked whether there should be a focus on individual sectors or the general population. TP said that we needed to include measures of success, particularly around awareness, understanding and action taking by consumers. TA to take that up with our statistical advisors.

TA

The Board agreed to adopt the strategy, but to continue to work on refining it whilst getting on with delivery.

The Board particularly agreed that the key message should be around Trading Standards Approved and that we would only lend our name to traders that we trust.

CCAB21 **Financial Report, Risk and Performance Management**

TA presented the latest financial report, with a caveat that more work was required on aligning this with the TSI's financial management information systems to provide the Board with better information. TA/VO to action.

TA/VO

The risk register was reviewed. TA confirmed that this was the whole CCAB risk register. The risk register can be forwarded to the TSI Audit and Finance Committee.

TA

The performance management information was reviewed. TA advised the Board that we had commissioned Select Statistics to assist the Board with the development of its monitoring and performance management information. TA/SB to action.

TA/SB

CCAB22 **Liaison with Local, Regional and National Schemes**

AF provided an update on discussions with various other 'approved trader' schemes in the consumer landscape. TSI is asking the question, 'what does the future look like?' for approved trader schemes. There was a general feeling amongst the Board that we can't succeed with the landscape as it is. We have to take action to address it and bring some consistency and clarity to it for consumers.

The Board supported AF in continuing to have those discussions and asked to be updated again on this standing item at the next Board meeting.

AF

CCAB 23 **Matters of concern about code sponsors referred to the Board**

TA advised the Board that two separate complaints had been received about two different prospective code sponsors, but both on the subject of pre-approval publicity about the scheme.

In one case, in TA's assessment, the complaint was not justified, but did highlight a lack of policy clarity on the part of the Board as to the levels of expectations.

In another case, in TA's assessment, the prospective code sponsor had deliberately and dishonestly held themselves out to be TSI Approved when they were not. TA advised of the immediate action taken by the Programme Team to rectify that situation, including requiring the immediate withdrawal of all such communications and a refund being provided to any traders that had signed up to membership of the prospective code sponsor on the basis of that communication. TA highlighted that the behaviour could potential be regarded as a criminal offence.

The Board said that they were alarmed and shocked by the behaviour of the prospective code sponsor. They said that it raises very real concerns about their integrity and internal governance. The Board directed the programme team to:

- (a) Revisit the internal governance arrangements of this code sponsor and determine who within the organisation was responsible for ensuring the honesty and integrity of their marketing communications;
- (b) Prepare a written warning for the code sponsor from the Board concerning their future conduct; and
- (c) To require that code sponsor to take action to bring their code of practice forward for the next stage of approval by the end of March 2014.

TA/SL

The Board agreed to adopt the Protocol for Pre-Approval Publicity

and asked the Programme Team to distribute this to all prospective code sponsors.

TA/MP

CCAB24 Update on current applications

TA provided the Board with a brief update on the progress with current applicants.

CCAB25 Dates of the next meetings

The Board agreed to hold meetings on:

- Tuesday 11th February 2014
- Tuesday 13th May 2014
- Tuesday 15th July 2014
- Tuesday 14th October 2014

The times and venues to be identified by the programme team.

The meeting closed at 13:50

The Chair invited the Board to attend the Code Stakeholders Lunch that was taking place immediately after the meeting.

Signed

Date