



Consumer Codes Approval Scheme

Meeting: Consumer Advisory Panel

Date: 16 January 2014
Time: 14:00 – 16:00

Location: Citizens Advice HQ London, Myddelton House, 115-123 Pentonville Road, London

Present: Sue Edwards (Chair), Arnold Pindar, Geoffrey Woodroffe, Jane Negus, Jane Vass, Louise Baxter

Attendees: Sarah Langley, Magda Podeszwa

Apologies: Fraser Sutherland

Minutes

The meeting started at 14:10

1. Welcome and introductions

Sue Edwards welcomed everyone to the meeting.

Declarations of interest

There were no new declarations of interest.

2. Minutes of the last meeting

The minutes of the previous meeting (18 November 2013) were reviewed and approved by the Panel.

Matters arising:

Motor Codes Vehicle Warranty Products Stage II application will be presented to the Board at the meeting on 18 February.

Sarah updated the Panel on Safebuy and the Property Ombudsman (lettings code) – the other two codes that are going through the application process and are to be discussed by the Board.

3. HIES – Stage I application

The Panel engaged in a discussion regarding the Home Insulation & Energy Systems Contractors Scheme (HIES) application. The main points of the discussions are recorded under the following headings:

Style of the code

1. The code could be written in plainer English.
2. Not a lot of transparency in the code.
The code alludes to things, but it is not clear, e.g. the standards that traders have to work to.
3. The code makes reference to "other energy efficiencies products" insulation. What does this mean?
4. What does "a free independent inspection mean"? It was unclear if this was for every customer or in case of a complaint or dispute.

Additional protection offered by the code

5. The Panel thought it was unclear what the offer is for consumers. Is the code about products, services and/or finance?
6. The code refers to "the Ombudsman". Are HIES referring to Ombudsman Services? This was not clear. The code needs to clearly state who HIES are using for ADR. The code also refers to "professional mediators" – who are they? What qualifications do they have?
7. The Panel would like further details relating to the insurance backed guarantee. What is it and how is it insurance backed?
8. The Panel would like further information on the deposit and stage protection scheme and compensation fund. What is the detail? What does it mean and how are consumers protected?
9. The Panel would like to see the maximum deposit paid by consumers lowered as far as possible below the stated 25%. What is the industry standard deposit?
10. It was not clear in the code if the entire 25% deposit is protected or not. Can HIES confirm this for the Panel?
11. If a consumer paid a deposit and cancelled and it was a breach of contract, how much of this deposit would they lose?

High risk activities

12. The Panel considers cold calling for products in this sector high risk, and an area for potential mis-selling. The Panel felt that the code was too vague in this area. The Panel wanted to see more consumer protection than simply stating that members of the code must adhere to the law, e.g. members should not buy leads from 'fake' consumer surveys. What is their source for whom to target via telephone, text, mail or face to face cold calling?

The Panel would like to see evidence of HIES being an ethical code sponsor. The Panel would ideally like to see HIES members cut cold calling.

13. Offering finance for expensive home improvements is an area for high pressure selling. The Panel would like to see a provision within the code relating to finance and affordability.

Trader checks

14. The code states that traders will provide terms and conditions and consumer contracts. The Panel would like to know if the terms and conditions are within the contract. The Panel would like to know what checks HIES are doing on contracts and terms and conditions? How are they qualified to do this?

The Panel would like to see further details on this section of the code.

15. The Panel felt that the 12 consumer reference requirement was the wrong approach, with the potential for vulnerable consumers pressured into giving positive references. The Panel would prefer potential members providing a list of recent clients and HIES choosing who they contact for references.

Customer Feedback

16. The Panel would like to see specific questions relating to the installed products in the customer satisfaction survey, e.g. are you happy with your solar panels? Are they working properly?

Conclusion

There was a strong feeling from the Panel that a lot of work was needed on the code before it goes to the Board for approval at Stage I.

4. Consumer Advice Data – use under CCAS for performance measuring purposes

Sue Edwards informed the Panel about the type of information that is gathered about consumers' problems via the Citizens Advice Consumer Helpline.

Sarah Langley updated the Panel on the Board's current work on establishing baseline data to prove the added value that CCAS is providing to consumers. Sarah investigated whether CA's data could be used to support CCAS performance measuring purposes and was advised that, if TSI wanted to interrogate CA's data and have a remote login to the system, a data sharing agreement would have to be signed.

However, Sue warned that the data gathered by CA may not prove very useful for CCAS.

Sue and Sarah agreed to have a meeting to discuss the matter further.

5. Future meetings with Teresa Perchard and Code Sponsors Panel

Sue Edwards informed the Panel that she spoke to Teresa Perchard, who is the Panel's designated link to the Board, regarding Teresa's future attendance at the Panel's meetings. It was agreed that Teresa will be invited to the meeting in March (in an observer capacity). It was also suggested that Teresa could join further meetings in an observer capacity only.

The Panel discussed the agenda for the March development meeting. It was decided that the main meeting should focus on:

- consumer detriment in areas already covered by an approved code
- possible areas where codes might be needed.

Sue Edwards offered to prepare an analysis on behalf of Citizens Advice.
Jane Negus proposed to look into European market.

The Panel agreed that they would like to invite the Code Sponsors Panel to a working lunch on 18 March 2014.

Action:

Sue Edwards and Sarah Langley to meet regarding the agenda for the meeting.
Magda Podeszwa to invite Code Sponsors Panel to lunch on 18 March 2014.

6. CCAS update

Sarah Langley provided the Panel with a CCAS update:

- Sarah informed the Panel of the upcoming audit at the Carpet Foundation
- the designated roles within Consumer Codes Approval Board were discussed
- Sarah informed the Panel that she is meeting with the Property Ombudsman regarding their lettings code
- the National Caravan Council and the National Society of Allied and Independent Funeral Directors are still interested in CCAS
- Sarah advised the Panel that Steve Brooker (CCAB) is working on key performance indicators for CCAS. The Panel agreed that Steve should be invited to the March meeting, together with Teresa Perchard

Action:

Magda Podeszwa to invite Steve Brooker to the meeting on 18 March 2014

7. Any Other Business

Louis Baxter enquired whether the upcoming changes in distance selling law, due to take effect by June 2014, would affect the approved codes. The Panel agreed that the matter will be discussed further.

The next meeting of the Panel is to take place on 18 March 2014 at TSI London Office.

Action:

Magda Podeszwa to circulate the minutes of previous Panel's meetings to the Board

The meeting concluded at 16.05