

**CHARTERED TRADING STANDARDS INSTITUTE
CONSUMER CODES APPROVAL BOARD CIC**

TWELTH MEETING OF CONSUMER CODES APPROVAL BOARD

Minutes of Meeting held on 20 October 2015
City of London, Walbrook Wharf, 78-83 Upper Thames Street, London, EC4R 3TD

Present: C Crawley (Chair), S Brooker, B Hughes, V Olowe, L Livermore, R Martin,

In attendance: S Langley, J Guerreiro,

<u>Minute</u>	<u>Comments/Decision</u>	<u>Action</u>
	<p>The meeting commenced at 10.15am.</p> <p>The Chair welcomed everyone to the meeting.</p> <p>L Livermore apologised to the Board that the papers had not been up to the usual standard due to resource issues at head office and assured everyone that this would not happen again. Thanks were extended to Sarah Langley and Rachel Martin for their efforts in preparing for the Board meeting.</p>	
CCAB84	<p>CCAB84 Minutes of the meeting held on 21 July 2015</p> <p>CCAB75 Fifth bullet point, second sentence "RAC look..." amended to "RAC review...". Next sentence add "they" to read "Should go straight to ADR if they want to."</p> <p>CCAB76 Second bullet point delete the words "the right thing to do" and replace with "appropriate" to read "Agreed principle of competition in the sector is appropriate".</p> <p>CCAB76 Eighth bullet point amend "Boards" to "Board's".</p> <p>CCAB78 Second paragraph change the word "luxury" to "premium" to read "EG review of codes, or 'premium passport application' style additional services.</p> <p>Subject to the above amendments, the minutes of the meeting held on 21 July 2015 were agreed as an accurate record of the meeting.</p> <p>A letter of thanks to the Chair of the CTSI Board for agreeing to underwrite the deficit for CCAS by way of a loan was agreed. A question was raised regarding the deadline for repayment of the loan. The loan</p>	

will be mapped into the CCAS budget for repayment over three years.

There were no other matters arising.

CCAB85 CCAB85 RAC Used Vehicle Code - Stage One application for approval

Sarah Langley was thanked for all her hard work in getting the RAC to Stage One, all present agreed that it was an excellent code. The Chair also put on record her more general thanks to Sarah, who was likely to be moving on in the Spring, for all her hard work over the past few years which was very much appreciated. Leon Livermore added that this used car code was a very positive step forward and he endorsed the earlier comments regarding Sarah.

The Board discussed the RAC application and the following observations were made:

D1 - Feels like more than three stages.

E3 - A copy of the annual report is to be requested.

Assessment cover sheet:

C6 - last sentence needs rewriting.

C11 - This had been met although this was not recorded as such in the assessment cover sheet.

The Board resolved to:

Approve Stage One for the RAC Used Vehicle Code.

SL

CCAB86 Trust My Garage - Stage Two application for approval

The Board discussed the Trust My Garage application.

The audit report from October 2015 in relation to staff training records advises that "several examples were examined" it was felt it would be more appropriate for this to be quantified.

The Board resolved to:

Approve Stage Two for Trust my Garage.

A question was raised as to at what stage in the application process are the performance indicators publicised. It was agreed that this should happen once there has been a commitment to an application for Stage One. This would be raised with Trust My Garage as part of the congratulatory letter and in future would be included as part of the

application process. Steve Brooker to provide some text to Sarah Langley for the applications.

SB

CCAB87

Review of CCAS Fees and Charges

The CCAS has now been operational for three years which has given CTSI adequate insight into the cost of running the scheme. It is evident that ambitions for the scheme are being curtailed by a lack of resources. There is a reluctance to lose the scheme but equally there is concern about its long term viability. Both CTSI and CCAB are not for profit organisations providing services to some of the largest companies in the UK. It is clear that code sponsors need to know the fees at the outset of the process which is easier to determine for some companies than others, particularly those who do not charge a membership fee. Code sponsors need to understand what they are getting for the fee at all stages of the application process and if they are requiring a higher level of support this will need to be charged by CTSI at a commercial rate. It is evident that the minimum fee of £2,500 does not cover the costs of supporting an individual Code Sponsor.

For Code Sponsors that do not charge a membership fee several options were considered. A percentage charge of gross income was considered disproportionate. An additional levy for codes that have big businesses as members was considered as unfair. It was accepted that different sectors have different ways of working and it would be difficult to move away from setting fees on a case by case basis. It was agreed that a bespoke fee once set would be applied across a whole sector but this would need to be balanced with flexibility. Leon Livermore reiterated the importance of not setting fees below the running costs of the scheme.

There have been ongoing conversations with Code Sponsors about the need to increase the fees and they have been generally supportive of this.

The Board resolved to:

Raise the minimum annual fee for an approved code from 1 April 2016. Increased from £2,500 to £5,000 with the maximum annual fee remaining at £25,000.

All agreed fees rise annually in line with inflation from April 2017 and are fully reviewed every two years.

For Code Sponsors who do not charge a membership fee a bespoke fee would be set to be used sector wide.

For any Code Sponsors that require additional services above and beyond that provided as part of the application fees or annual fees, including consultancy services, these are to be charged at a commercial rate.

Where a Government department wants to use CCAS as a way to regulate a sector CCAS should not bear the cost of additional work and this should be charged accordingly.

Move the annual on-site audits to a three year cycle of one year on-site, followed by two years of desk based audits. If an additional on-site audit is required in the three year cycle due to a Code Sponsor not complying with its obligations under CCAS, CCAB can charge for the cost of this additional on-site audit, determined on a case by case basis.

CCAB88 Code Sponsors Forum Update

The proposed date for the Forum is 26 January 2016. This would be a good opportunity to hear from a minister, junior minister or shadow minister. Other suggested speakers include Lord Harris from the National Trading Standards Board and topics of Consumer Rights Act and ADR. Stage One approved Code Sponsors will also be invited to attend. The CCAS Board members are also invited to attend all or part of the event which will be taking place in central London.

CCAB89 CCAS Annual Report

Leon Livermore apologised that he was unable to table the annual report which had been delayed due to other commitments including the various reviews of trading standards which were taking place at local and central government level.

The annual report is to include the performance indicators as agreed at the last meeting.

CCAB90 BSI Approved Schemes Workshop

The aim of the workshop, which was held on 15 June 2015, was to engage with stakeholders to solicit feedback on the feasibility of developing a new British Standard for approval schemes. Concerns raised, and challenges faced, included a lack of resources, complexity of the approval schemes landscape, lack of cohesion and collaboration between schemes, difficulties assessing traders, difficulties raising consumer awareness and problems dealing with disputes.

86% of the delegates agreed that they would support a standard in this area in principle. There was sufficient support for BSI to move to the next stage. Categorisation of schemes should aim to simplify the approval schemes landscapes, 3-4 types of scheme should be identified. The recommendations included BIS/CTSI to explore possible collaborative working and BIS to consider a strategy and budget for a future standard.

The CTSI report into approval schemes in 2014 gave a number of

recommendations to the Consumer Protection Partnership (CPP) including the need for an independent body to develop and implement a robust standard. Barbara Hughes felt a set of agreed principles would be a better way forward rather than a standard. Sarah Langley is currently attending meetings regarding this and a decision will be taken later as to whether a member of CCAS Board should also attend.

CCAB91 **ADR Update**

Leon Livermore advised that there had been very little change since the last update. It had been estimated that 40 schemes would seek approval, there are currently 23 schemes approved. There is a wide range of schemes and these are all listed on the CTSI website. The implementation date for the requirement that traders point to an ADR body in cases of dispute was delayed from July until October. The ADR scheme works on the basis of full cost recovery, there is no public money to support it. The launch did not receive a lot of airplay due to the publicity around the Consumer Rights Act.

It was felt unlikely that BIS would look at simplifying the dual processes of becoming an ombudsman and approved body at the current time. Discussions regarding this are ongoing.

Standing Items

CCAB92 **Finance Update**

CCAB93 **New Codes Development Activities and Progress**

A progress report on potential code sponsors had been circulated including organisations that had shown an expression of interest. Sarah Langley gave an update on the meetings that she had had over the summer and details of the organisations that had been proactively approached by the team.

CCAB94 **CCAB94 Any Other Business**

Glass and Glazing Federation (GGF) event - Barbara Hughes had presented at a GGF event on 1 October on the benefit of Codes; this was a successful event and she would be happy to attend similar events in the future, time permitting.

CCAB95 **Dates of next meetings**

The next meetings were confirmed as:

Board - 23 February 2016 from 1.00pm

Strategy Day - 26 April 2016 10.00am

Board - 24 May 2016 from 10.00am

Board - 19 July 2016 from 10.00am

The meeting closed at 12.20pm

Signed

Date