

## 1 Our evidence-based approach<sup>i</sup>

- 1.1 With limited resources and a wide remit, Consumer Focus must maintain a rigorous process for prioritising work in order to deliver a fair deal for consumers in the most effective and efficient manner possible. Accordingly, we use an evidence-based approach and a criteria for work planning to determine which work we will undertake. In so doing we affirm that our investments are proportionate to the impact we can achieve while demonstrating value-for-money.

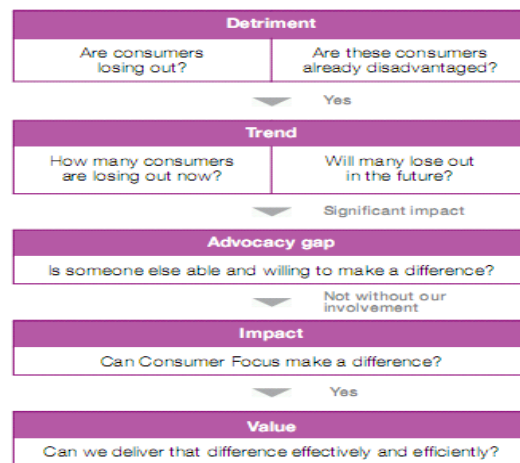
## 2 Evidence base

- 2.1 Our starting point for developing our evidence base is the **Consumer Conditions Survey**, commissioned by Consumer Focus and undertaken by Ipsos Mori in 2009. The survey is a major piece of research examining consumer experience in the United Kingdom which asks consumers about their experience in 45 private sector markets, covering in total some 72 per cent of household expenditure. For each market, the Survey asks for consumers' views on six key aspects:
- Range and choice available
  - Living up to expectations
  - Protecting consumer rights
  - Trustworthiness of advertising and marketing
  - The ease of comparing quality
  - The ease of comparing prices
- 2.2 Issues relating to complaints, vulnerability and purchasing channels are also covered.
- 2.3 Consumer responses to each of these areas are aggregated and used to compile an overall **Consumer Confidence Index (CCI)**. The CCI provides the basis for comparing how consumers perceive the performance of a particular market against all others.
- 2.4 The Consumer Conditions Survey is an effective starting point; however, by itself is not a means by which Consumer Focus can determine its work priorities. Additional factors such as the size of markets, the public sector, and sectors where other organisations are better placed to advocate on behalf of consumers need to be considered.
- 2.5 Given this, we then take account of the **Consumer Detriment Survey**, conducted by the OFT in 2007. This survey looks at the spending patterns of consumers in different markets in conjunction with the volume of complaints received by Consumer Direct. It examines specifically the monetary amounts that consumers report they have lost in dealing with specific events in their consumption. This survey provides narrow, but hard, evidence of the usefulness of the Consumer Conditions Survey.

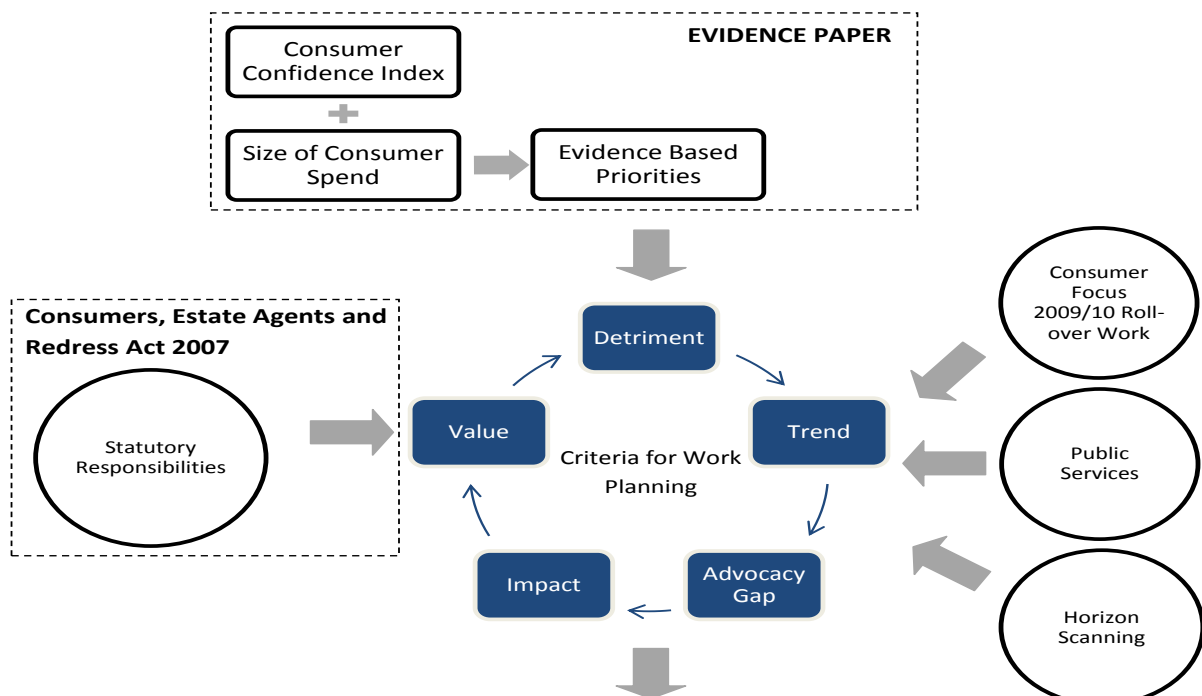
2.6 Finally, we look at complaints data. Currently in Britain there is not yet a reliable or comprehensive data evidencing **complaints**. Often the data that does exist is flawed or biased. Nevertheless, despite its imperfections, consumer complaints data is generally in line with consumers' views on markets as described in the Consumer Conditions Survey. Typically, a higher volume of complaints will exist in markets that consumers perceive as performing poorly.

### 3 Criteria for work planning

3.1 Our criteria for work planning allow us to consider factors beyond the evidence base that influence our ability to deliver for consumers. This ensures that our approach to work planning is fully-balanced and informed. The criteria for work planning builds on the evidence base by looking at the areas of detriment, trend, advocacy gap, impact and value when determining which work to undertake. Our criteria for work planning are as follows:



3.2 The sum of our evidence-based approach and our criteria for work planning allow us to focus our work on areas where we can deliver the most impact. Our combined approach is illustrated in the following diagram:



## **4 From evidence to planning**

- 4.1 Taking into account the above, the overall shape of the draft annual plan is heavily shaped by the evidence on current and emerging consumer detriment, as well as our statutory responsibilities. We have sought to develop a plan which reflects our role as a generic body with an interest in many sectors across the economy but also is more focused than our Forward Work Programme 2008-2010.
- 4.2 There is for example a strong and coherent set of financial services projects which should help to establish Consumer Focus as a key player in this critically important sector.
- 4.3 This mirrors our approach in energy and post, where our statutory duties and funding and the level of consumer interest and detriment demand major programmes of work. We will continue our watchdog role in these sectors, monitoring and influencing company behavior and the effectiveness of regulation. We will also publish thought leadership work on key issues such as sustainable energy and the future viability of the post office network, informed by our insight into consumer behaviour and needs.
- 4.4 Energy was the bottom rated sector in our Consumer Conditions survey, with financial services also receiving a low rating which was substantially down on the previous survey.
- 4.5 The Consumer Conditions research has also provided the basis for priorities in the area of markets and services, where our focus on advertising regulation reflects low levels of consumer confidence. We will continue our work on rights, regulation and redress more generally, not least because of the once-in-a-generation consultations within the UK and at European level on consumer law, positioning this alongside work to ensure that the digital economy is fair to consumers. We will also investigate individual markets and key services (both public and private) that appear to be failing consumers.

## **5 Our proposed work for 2010/11**

- 5.1 Using the above methodology enables Consumer Focus to generate key work areas for our forthcoming year and to identify the proposed policy and advocacy work within each work area.
- 5.2 For 2010/11, our work falls within four key areas:

**A. A fair deal for energy consumers**

**B. A fair deal for postal consumers**

**C. Financial services**

**D. Markets and services evidencing consumer detriment**

5.3 The 2010/11 Forward Work Programme fully reflects Consumer Focus' evidence-based approach and our criteria for work planning, affirming that our investments are proportionate to the impact we can achieve in delivering a fair deal for consumers.

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<sup>i</sup> This section draws heavily from a paper entitled: "Corporate Plan 2010-2013: evidence of consumer detriment", presented to the Consumer Focus Board on 29 June 2009. The full text is available at [www.consumerfocus.org.uk/xxx](http://www.consumerfocus.org.uk/xxx)