



**Consumer
Focus**
Campaigning for a fair deal

Consumer Focus response to the European Commission's 'Monitoring Consumer Markets' discussion paper October 2009

About Consumer Focus

Consumer Focus is the statutory organisation that champions the interests of consumers across England, Wales, Scotland, and, for post, Northern Ireland.

We were formed through the merger of three organisations – energywatch, Postwatch and the National Consumer Council (including the Scottish and Welsh Consumer Councils).

Through campaigning, advocacy and research, we are the voice of the consumer in private and public sectors by working to secure fairer markets, greater value for money, and improved customer service.

Introduction

Consumer Focus welcomes the opportunity to comment on the European Commission's discussion paper 'Monitoring Consumer Markets'.

Consumer Focus welcomes the Commission's Consumer Market Scoreboard programme as a useful tool to monitor markets across EU Member States in order to detect potential malfunctions. Consumer Focus has experience of similar studies and we carried out Consumer Conditions survey in April this year. In response to the paper we make a few suggestions to improve the Scoreboard programme and enhance its communication and dissemination impact.

Responses to specific questions

Question 1

Are the indicators in the current Scoreboard work programme the best possible ones to detect market malfunctioning?

Complaints and redress

We suggest having an agreed methodology for a short and long set of questions that can be used in our surveys as well as the EU one. Our own short version of this is:

*'Have you had any **cause** for complaint about a product or service in themarket in the UK in the past year or two? If so...*

*Have you **made** a complaint about a product or service in themarket in the UK in the past year or two?'*

In developing our survey we may examine the effect of talking very specifically about the past year rather than the past year or two but we should all agree what is the best and have a common standard.

For more detailed surveys it would be interesting to develop robust and agreed questions about to who the complaint was made, what the outcome was, and the level of satisfaction with the outcome.

An even more elaborate level of questioning could examine whether there was any monetary detriment and how much.

As far as hard definitions of complaints are concerned and whether a cross EU standard can be developed, this is a worthy long-term goal that we shall follow with interest.

Common classification of consumer markets

The classification used in the UK Consumer Conditions survey is the Classification for Individual Consumption by Purpose (COICOP). However Consumer Focus would like to see the development of a common agreed set of questions which map precisely to each COICOP category and also the development of an agreed way of dealing with the distinction between the **product** and its **source**: thus **food or drink for consumption at home** as opposed to **supermarkets, small shops, market stalls etc** for example. It would also be worth considering unpacking some of the products such as for example mortgages/ loans, petrol retailing and professional services (for example legal advice, accounting services).

Economic Data

We would recommend seeing the relative sizes of each market in the country statistics section and also in summary form. This is an important way of looking at priorities for consumer organisations and Consumer Focus has begun work to map size of market in the UK against the Consumer Conditions Index (the summary measure) which enables four quadrants for action to be examined. It would also be useful to examine which markets are not covered and what proportion of the economy they represent.

Public Sector

In the UK we are planning to undertake some developmental research to examine the extent to which the methodology can be applied in the public sector. There are many customer satisfaction surveys carried out but they do not examine the factors of interest in this context in a common way if at all as they focus almost exclusively on satisfaction with service delivery. It will be interesting to report this work to EU and other colleagues and hear others experience and have it critiqued.

The UK Consumer Confidence Index

We would like to see greater harmony in deciding an EU index. Our own index which has been tested using key driver analysis seems very robust to us (though we are going to examine whether including a complaint metric would strengthen it further) covers a broader range of factors than the EU one and does not include switching (except in the sense of asking about choice). It covers:

- Ease of comparing **quality** of goods and services
- Ease of comparing **prices**
- How much **choice** there is
- How well the product or service **lived up to what you wanted (expectations)**
- How much **confidence that consumers' rights are protected**
- How much confidence that businesses **market and advertise in a trustworthy manner**

We would be interested to discuss with the Commission both the possibility of this alternative market measure being developed in the Consumer Scoreboard, as well as considering improvement of the currently used indicators. For example with regard to the 'price' indicator we would recommend considering 'price comparability', as well as 'price level'. Similarly we would examine 'quality comparability' for different products. We would also suggest accuracy of 'marketing and advertising' of product be included.

Question 2

How could the communication and dissemination of the Scoreboard be improved?

Access to data

We welcome the idea of a web-based portal giving access to publications and data collected from the Scoreboard to facilitate cross-reference analysis. However, we do not underestimate the complexity and difficulty of achieving this very worthy aim.

Such a move would deliver benefits to policy makers and enhance the Scoreboard's impact by undertaking more in depth studies on consumer detriment and market malfunctions both at the national and cross-border EU level.

Partnership

We support the proposal of partnership building between the Commission, the Members States and stakeholders. In particular there is a need to engage stakeholders collecting and handling complaints with consumer groups to facilitate information exchange and policy dialogue.

Consumer Focus is keen to play its part in working with colleagues in the EU and in Member States to develop a harmonised methodology across all these areas. We are also keen to ensure that good use is made of collective time by having well prepared materials by and for all participants in advance of meetings, especially those of a workshop nature.

We already hosted a meeting on consumer conditions surveys in June this year which was attended by representatives from the Commission (Health and Consumers Directorate-General), Denmark (National Consumer Agency) and Norway (Consumer Ombudsmen, Ministry for Children & Equality, National Consumer Council and National Institute for Consumer Research). We found this way of exchange of expertise very valuable and we intend to continue this form of cooperation. We would be happy to participate in similar forums with other stakeholders across the EU.

Communication

We believe there is a role to play for stakeholders at national level, including consumer organisations in disseminating information on the Scoreboard's results to policy makers, regulators and local press.

We would also encourage the Commission to facilitate information flows on significant existing and forthcoming research within the Commission and across Member States. It could be done by utilising cost effective web based technologies, for example a web newsletter or a link attached to the consumer scoreboard website which would be available to a wider audience.

Follow up policy development

The purpose of market monitoring surveys is to identify signs of market malfunctions and develop remedies that correct the latter. As such market monitoring is not end in itself, but a mean to policy development. We strongly believe that the EU internal market requires greater partnership and collaboration in the process of policy making between the Commission and national stakeholders. We therefore recommend the Commission initiates every year a 'post Scoreboard' policy forum to enhance policy development debate and facilitate exchange of information between stakeholders in Member States to ensure that consumer detriment detected by the Scoreboard and other studies is properly addressed, and appropriate instruments to hamper market malfunctions are in place.

Consumer Focus response to the 'Monitoring Consumer Markets' discussion paper

If you have any questions or would like further information about our response please contact Marzena Lipman, Senior Policy Advocate, by telephone on 020 7799 7984 or via email: marzena.lipman@consumerfocus.org.uk

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