

**A BETTER DEAL FOR CONSUMERS**

**DELIVERING REAL HELP NOW  
AND CHANGE FOR THE FUTURE**

Delivery of consumer  
proposals

NOVEMBER 2009

## DELIVERY OF CONSUMER PROPOSALS

The White Paper “*A better deal for consumers*” set out a comprehensive programme of measures aimed at bolstering consumer confidence and helping consumers exercise greater personal responsibility, while protecting them from unfair practices, and ensuring effective and proportionate enforcement. This is a progress report four months on from the paper’s publication.

DEPT	POLICY PROPOSAL AND OBJECTIVE	PROGRESS TO DATE	NEXT STEPS
<b>Helping People stay in their homes</b>			
MoJ	Changes to residential mortgage law to ensure homes cannot be sold by lenders without court proceedings.	Engaged with stakeholders during 2009, with a view to amending the law	A formal consultation will be held by the end of 2009.
MoJ	Help with housing arrears for those in social housing to avoid court action where possible.	Pilot of the Housing Advice Pre-action Scheme is ongoing. If successful, national rollout will follow in 2010.	Evaluation to be conducted by December 2009
CLG	Legislation to fill a legal gap in protection for private tenants whose borrower landlords are repossessed.	Consultation on the detailed proposals closed on 14 October.	Consultation responses are being analysed and the Government response will be published early in 2010.
MoJ	Reform to Charging Orders to ensure they only become an order for sale application where absolutely necessary.	Informal meetings with stakeholders to discuss proposals have taken place.	Consultation on introducing a financial limit for orders for sale, to be published by the end of 2009.

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<b>Debt Management</b>			
MAT and BIS	A new self-help debt advice toolkit to help those in debt	The first phase of the toolkit was launched on 7 October.	A full national roll out is planned for January 2010.
BIS	Additional investment in face to face debt advice.	More face to face debt advice is being deployed..	Continuing boost to advisor capacity over the next 6 months.
DH	A dedicated NHS helpline to provide help to people with mental health problems suffering financial distress.	The NHS Credit Crunch Stressline is live and currently in a test phase. A review of its operation so far is underway.	A formal launch is planned for the end of November.
Industry	Better debt repayment planning by improving use of the Common Financial Statement.	Improvements to the Common Financial Statement have been agreed.	Roll out of improved system and creditor tools in late 2009.
MoJ and Insolvency Service (BIS)	Consultation on whether to introduce a new statutory debt repayment plan or alternative options to improve debt management plans.	Consultation document on debt management schemes was published on 18 September and is available to view at <a href="http://www.justice.gov.uk/consultations">www.justice.gov.uk/consultations</a>	Consultation concludes 18 December. The Government will publish its response to the consultation in March 2010.
MoJ	Civil justice 'walkthroughs' on DirectGov to help consumers make informed decisions to resolve disputes.	Web developers appointed to build the first five 'walkthroughs.'	First 'walkthroughs' on schedule for roll out by December 2009 with remaining walkthroughs to be completed by end of April 2010.
MoJ	Measures to regulate bailiff activity and address concerns about the behaviour of bailiffs.	Draft bailiff law regulations on seizure and sale of goods and the standardised fee structure are being developed.	The consultation paper is due to be published early in 2010.
The Insolvency Service	A new debtors' guide to help those with debt problems to consider their options.	The Debtors' Guide was published by The Insolvency Service in July 2009.	In place.

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<b>Encouraging Responsible Lending and Preventing Exploitation</b>			
BIS	Review of regulation of credit and store cards.	The consultation was published on 27 October. The consultation can be found at: <a href="http://www.bis.gov.uk/creditconsultation">http://www.bis.gov.uk/creditconsultation</a>	The consultation will close in on 19 January and the Government expects to issue final recommendations in the Spring.
BIS	Legislation to ban the issuing of unsolicited credit card cheques.	The draft clauses and impact assessment were published on 3 October. <a href="http://www.berr.gov.uk/whatwedo/consumers/consumer-white-paper/page52784.html">http://www.berr.gov.uk/whatwedo/consumers/consumer-white-paper/page52784.html</a>	The proposed prohibition will be included in the forthcoming Financial Services Bill.
OFT	Review of high cost credit markets by the Office of Fair Trading.	Information gathering, initial research and analysis are underway.	Interim report to be published by the end of 2009 and a final report will be issued in spring 2010.
BIS	Lenders to provide clear and adequate explanation of new loans to prospective borrowers and creditors to check borrowers' creditworthiness before lending to them.	BIS has considered responses to draft regulations from industry experts.	The Consumer Credit Directive comes into force on 11 June 2010.
OFT	Guidance on irresponsible lending. The Office of Fair Trading will bring forward new guidance for all lenders.	A consultation was launched on 20 July and closed on 21 October 2009	A summary of responses and final guidance will be published by the OFT early in 2010.
OFT	Review of consumer credit licence fee regime, including exploring the case for differential pricing.	BIS has considered responses to draft regulations from industry experts.	The Consumer Credit Directive comes into force on 11 June 2010.

BIS	Work with industry to promote data sharing to improve the accuracy of lending decisions.	A Government / Industry working group was established to promote data sharing.	Government will continue to work with industry to provide a solution.
BIS	Work with industry to examine scope to improve people's access to and understanding of their credit files.	BIS is currently holding discussions with consumer groups and credit reference agencies.	BIS will publish conclusions in the winter.
BIS	Amendments to the requirement for lenders to send consumers regular statements where they suspect that a consumer has moved house without providing their new address, or where the consumer has entered into an individual voluntary arrangement (IVA).	Drafting of regulations to commence early in 2010.	Draft regulations will be published for consultation in 2010.
BIS	Consultation on banning the use of Bills of Sale for consumer lending.	Discussions have taken place with stakeholders.	The consultation is due to be published in December. The Government will consider the responses and report in the first half of 2010.
OFT / HMT/ BIS	Action to ensure charges for unarranged borrowing on personal current accounts are transparent cost reflective and reasonable.	The OFT is considering unarranged overdraft charges as part of its work following the Personal Current Accounts market study published in July 2008, and is pursuing an investigation into the fairness of unarranged overdraft charging terms under the Unfair Terms in Consumer Contracts Regulations 1999.	The OFT expects to make more substantive comments on the charges following the handing down of the pending Supreme Court judgment.

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<b>Help for the most vulnerable</b>			
Ofgem/ Consum Focus [BIS]	Two reviews on energy supplier practice on how effectively they are protecting vulnerable consumers and helping customers with problem debt.	Ofgem will shortly publish initial findings on vulnerable consumers	Evaluation of the Ofgem / Consumer Focus market reviews and publication of market report in December.
DEFRA	Independent review of household charging for water and sewerage services (the Walker Review).	The Walker Review team has produced interim recommendations and is currently discussing them with stakeholders.	It is expected that the final report will be published in December 2009.
DEFRA	Consider whether low income and vulnerable consumers can be helped especially in the light of the economic downturn and rising food prices.	A review of the evidence base was carried out over the summer. As part of this, a stakeholder workshop was held to discuss the barriers to a healthy diet and identify any gaps in existing knowledge. The findings of the evidence review have now been considered by the the Council of Food Policy Advisors and the cross-Whitehall Steering Group	The findings will be considered by Government by the end of 2009...
DWP	Review of the Social Fund to consider improvements to the administration of the scheme and look at how it can help customers manage their finances.	DWP is looking to publish a consultation document on the long-term reform of the Social Fund in 2010.	A summary of feedback and responses to the public consultation will follow at the earliest opportunity in the spring.
Industry [BIS]	Improved mental health awareness guidelines to encourage good practice in supporting people with mental health problems struggling with debt.	The new evidence form, to allow better evaluation by mental health professionals, was launched officially in July 2009.	In place.

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<b>Empowering Consumers</b>			
FSA [HMT]	An impartial comparison tool for credit cards to be included on the MoneyMadedeclear website.	Clauses in the forthcoming Financial Services Bill will grant a power to the FSA to establish a consumer financial education body.	Subject to feasibility and consultation this tool will be part of a programme of ongoing developments to support the national rollout of the money guidance service, planned to begin in spring 2010. The service will be run by a new consumer financial education body.
BIS	Launch of a consumer rights publicity campaign to raise awareness of key rights and the role of Consumer Direct	The campaign was successfully launched on 14 September at the start of National Consumer Week.	Further publicity campaign will be launched to coincide with Christmas and New Year sales.
BIS	Develop a new consumer space on direct.gov.uk. Improve access to information and advice.	Working groups met in September to agree the scope of work.	A new area will be launched on Directgov in January 2010.

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<b>Improving Consumer Protection and Fairness</b>			
BIS	Appointment of a Consumer Advocate who will co-ordinate and spearhead work to educate consumers and have the power to take collective actions on behalf of consumers.	Initial views on the role and powers of the Advocate have been formed and the consultation document is being drafted.	A formal consultation document will be published by the end of the year.
BIS	Reassessing regulatory framework for consumer prepayments, taking account of Consumer Focus' forthcoming report.	Cross-Government and external stakeholders have been consulted after a Consumer Focus report was published in August.	BIS will consult more widely on the policy options in the spring 2010.
DFT	Review of financial protection for air travellers to explore whether it can be clarified and improved.	Cross-Government and external stakeholders have been informally consulted on proposals for reforming financial protection for air travellers.	An announcement on a formal consultation will follow shortly.
BIS	Consumer Rights Bill to implement the EU Consumer Rights Directive, modernise and simplify UK sales law.	Negotiations on the Consumer Rights Directive continue and individual projects are being taken forward e.g. work on digital rights has been discussed with external stakeholders and academics,	Ongoing negotiations are being taken forward and research commissioned.



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<b>Enforcing Consumer Law</b>			
BIS	Compensation pilots for breach of consumer law, giving businesses an opportunity to resolve consumer disputes fairly	The consultation document is being finalised.	The Government will publish its consultation by the end of the year.
OFT	New Enhanced Intelligence System to provide a high profile single complaints register.	Initial analysis for the design, build and implementation of the online reporting tool	Finalise scoping analysis in November and incorporate into detailed Invitation to Tender, to issue in January 2010
BIS	New investment to provide more capacity for enforcement via Office of Fair Trading / regional scambuster teams	Training and equipment needs are being ascertained.	Training and development for new teams will begin in early 2010 and a National Strategy will be published in December 2010.
BIS	Review of enforcement powers for consumer law enforcers and consideration of additional powers	Evidence is being gathered and a consultation document prepared.	A consultation will be published in March 2010.
OFT	National internet enforcement strategy to enable the OFT, Trading Standards to work together more effectively.	Project scoping is underway, a high level group of stakeholders met in early November.	By April 2010 initial stakeholder engagement completed and consultation document published
BIS	Legislation to give the courts the power to prohibit persistent rogue traders from carrying out business.	Policy is currently being developed.	Policy will be finalised in December followed by consultation in March 2010.
BIS	A new central Fighting Fund to assist local authority Trading Standards Services prosecute rogue traders.	Agreeing scope and criteria with stakeholders	Guidance for Local Authorities will be developed over the in the winter, with the fund becoming available in 2010.

BIS	Product safety sampling of imported goods at key ports to detect and intercept unsafe products.	Minister has agreed Local Better Regulation Office should administer product safety sampling, discussing delivery details with LBRO and key stakeholders	Funds to be available in March / April 2010.
BIS	Stronger action against silent calls (automated systems dial more numbers than staff can deal with resulting in silence on the line), by increasing maximum penalty, currently £50,000.	A consultation document was published on 23 October 2009.	The Government will publish its response to the consultation in early 2010.
BIS	Task force to address problems associated with low quality and bogus colleges.	The views of stakeholders across Government had been sought.	A decision on options for future action will be made by the end of November. BIS will make announcements on the task force at the end of 2009.
BIS	Consider a new single set of powers for Trading Standards Services in the area of consumer protection.	A scoping exercise is taking place.	Stakeholder engagement will begin in late 2009 and Government will publish its findings in 2010.
BIS	Ongoing action to raise awareness of the impact of illegal money lending.	The illegal money lending project is undergoing an evaluation to ascertain its effectiveness.	Evaluation report will be available in December.
MOJ	The Government is considering its response to the recommendations on representative actions made by the Civil Justice Council in a statement on the powers available to the court in possession cases and the circumstances in which they can be used.	The Government issued its response to the CJC recommendations in July 2009. See <a href="http://www.justice.gov.uk/publications/response-civil-justice-report-collective-actions.htm">http://www.justice.gov.uk/publications/response-civil-justice-report-collective-actions.htm</a>	The response concluded that this should be taken forward on a sector by sector basis and that the creation of a generic right of action was not appropriate

## Abbreviations

BIS	Department for Business, Innovation and Skills
MoJ	Ministry of Justice
CLG	Department for Communities and Local Government
MAT	Money Advice Trust
INSS	Insolvency Service
OFT	Office of Fair Trading
Ofgem	Office of the Gas and Electricity Markets
DEFRA	Department for Food and Rural Affairs
DWP	Department for Work and Pensions
FSA	Financial Services Authority
HMT	Treasury
DoH	Department of Health

Department for Business, Innovation & Skills. [www.bis.gov.uk](http://www.bis.gov.uk)  
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