

**PROPOSAL TO ESTABLISH AN APPROVED TRADER SCHEME WITHIN  
CAMBRIDGESHIRE**

*To:* **Cabinet**

*Date:* **27<sup>th</sup> September 2011**

*From:* **Service Director: Infrastructure Management and Operations**

*Electoral division(s):* **All**

*Forward Plan ref:* **N/a** *Key decision:* **No**

*Purpose:* **To consider the options for establishing an approved trader scheme within Cambridgeshire.**

*Recommendation:* **That Cabinet approve the proposal by the Trading Standards Service to develop a full local approved trader scheme.**

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
Name:	Leon Livermore	Name:	Cllr Mathew Shuter
Post:	Head of Trading Standards	Portfolio:	Enterprise
Email:	<a href="mailto:Leon.Livermore@cambridgeshire.gov.uk">Leon.Livermore@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:Mathew.Shuter@cambridgeshire.gov.uk">Mathew.Shuter@cambridgeshire.gov.uk</a>
Tel:	01954 284647	Tel:	01638 508729

## 1. BACKGROUND

- 1.1 The current Registered Trader Scheme has been in existence for six years now. The idea behind this scheme was to ensure that vulnerable consumers received *a fair day's work for a fair day's pay* from businesses. It is delivered by Age UK on behalf of the Distraction Burglary and Rogue Trader Task Force and all traders are vetted by the Trading Standards Service. Whilst the existing scheme has been successful, it does have some shortcomings. It does not cater for all consumers, and so many consumers who are not classed as vulnerable by way of age or disability are unable to realise the benefits of the scheme. Similarly, consumers who are eligible to use the scheme can only obtain details of approved home repair businesses as the scheme does not cater for all types of business.
- 1.2 There are alternative schemes in operation elsewhere in the country which are designed to help all consumers and all businesses. One of the schemes is Buy with Confidence. This was launched in 1999 by Hampshire Trading Standards. The aim was to provide any consumer with a list of local reputable businesses that they can use, knowing that they are committed to high standards of trading and are prepared to comply with both the letter and the spirit of the law. We believe the Buy With Confidence scheme to be best suited to Cambridgeshire's needs, particularly given the size of the scheme, the length of time it has been in operation and the its good reputation.
- 1.3 One of the ways the Trading Standards Service is looking to meet the financial pressures facing the Service is to develop more efficient ways to enable both consumers and businesses to engage equitably in the marketplace. Buy With Confidence builds on this intention by encouraging businesses to comply with the spirit and letter of the law and to approach the Service for assistance, as well as providing a support structure to consumers should they have a dispute with a member business. This will facilitate good purchasing decisions by local residents and reduce the complaints to the service allowing officers to concentrate on problem traders.
- 1.4 The emerging proposals are that:
  - We introduce the Buy with Confidence scheme for Cambridgeshire businesses and those who carry out a large proportion of their business within the county
  - We offer support and advice to those businesses who sign up with regards to their legal obligations, and offer support and advice to their customers should there be a dispute between the parties
  - Income from the membership fees will be reinvested in the scheme and promotional activity.

## 2. BENEFITS OF THE PROPOSAL

### To Businesses

- 2.1 Trading Standards will promote the scheme in public buildings and at all relevant events as well as in appropriate written and broadcast media. Details of members will be provided to consumers via the dedicated website or through a printed list as required by us and our partners.
- 2.2 We will provide advice on specific enquiries from members about trading standards legislation and will provide updates on changes in the applicable consumer protection law as appropriate. An e-mail address and a telephone contact will be provided for members'

queries about the scheme or about trading standards/consumer protection legislation in general, giving the member a direct link to the Service.

- 2.3 Should it be necessary, Trading Standards will offer civil advice to both the consumer and the member. Trading Standards may also mediate between the two parties if a solution to a consumer complaint cannot be found between them.

- 2.4 Feedback from existing businesses on the Buy with Confidence website has been shown the perception of the scheme to be positive:

*We wanted to join a trade association that would really separate us from the cowboys, and we felt that the Buy With Confidence scheme was by far the best. People trust Trading Standards above all else, as I don't think there is one person who hasn't at least heard of them! It is great for our business as it gives people that assurity, especially if they don't know who we are, or live out of the area.*

A2B House Clearance and Removals

- 2.5 We have spent some time discussing such proposals with local businesses to establish what they would like from the scheme. As such we believe the provision of support as indicated above will provide a scheme which local traders want and will derive a benefit from. Further developments to the benefits of scheme membership will be led by scheme members, enabling us to enhance the appeal of the scheme to local businesses.

#### To the County Council

- 2.6 The Scheme is currently running in around 40 other local authorities and has over 4,500 businesses signed up. This indicates there is a desire by businesses and consumers to have such a scheme available.
- 2.7 The number of local authorities involved in the scheme means that Buy With Confidence is robust and well known. Essex County Council and Northamptonshire County Council already operate the scheme locally. This means there is already a regional support network for the Cambridgeshire Trading Standards to tap into regarding the scheme set up and running, alongside the scheme wide support available.

#### To Consumers

- 2.8 In the current economic climate it is more important than ever that consumers are well informed of their legal obligations and rights when buying goods and services. We can build consumer confidence that member businesses will treat them fairly and, should there be a dispute, then Trading Standards will step in to assist or mediate as necessary. The scheme gives consumers a choice of businesses they can be confident to use.
- 2.9 The scheme has over 4,500 members currently listed on its website meaning there is a wide range of sectors, geographical areas and price ranges covered.
- 2.10 The scheme rules require various checks on applicants, including that the businesses is properly licensed, for example with a Consumer Credit or Waste Carriers' licence if applicable. Checks are also made of public and employee (if applicable) insurance certification along with checks on complaints received by Trading Standards, searches on the businesses financial standing and the County Court Judgments register. Businesses are also required to conduct Criminal Records Bureau checks on employees who work within a consumer's home. These checks are reviewed regularly to ensure the member

continues to meet the high standards of the scheme to promote confidence amongst consumers in both the member businesses and the integrity of the scheme itself.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES AND WAYS OF WORKING**

- 3.1 The corporate priority of “Supporting and protecting people when they need it most” is met through the widening of the existing scheme to those residents who are not classed as vulnerable in some way, but may still fall victim to rogue trading activities. Similarly, “Helping people to live independent and healthy lives” in their communities is supported the same way. In many cases, victims of rogue trading practices, or poor customer service are often wary about using traders again. Providing a range of approved businesses will increase public confidence in reputable traders, which in turn should support the “development of our local economy for the benefit of all”, in that genuine traders receive work from consumers with increased confidence.
- 3.2 Section 2.1 above outlines the benefits to business and this will help develop our local economy for the benefit of all. We are also including indicators around business satisfaction with the scheme and the financial benefits of the scheme to business to measure the success of the scheme.
- 3.3 Officers will embed the corporate ways of working in developing the scheme. One of the main purposes of the scheme is for consumers to avoid having problems, as outlined in Section 2.8. This links to prevention. Officers have already held discussions with groups representing both consumers and businesses, and see these partners as vital in the development and governance of the scheme. This links to working together and be a local council. Section 4.4 below outlines some of the consultation work we have undertaken to ensure that there is a need for such a scheme.

### **4. IMPLICATIONS**

#### Resource and Performance Implications

- 4.1 There will be an initial outlay with respect to set up and initial promotional costs. However it is expected that the scheme will be self funding with regard to these ongoing costs within 18 months. The outlay would be offset against the expected drop in consumer complaints requiring our intervention. Furthermore the financial implications are already exemplified in the 2011 budget book (line 6.25, page 133).

#### Statutory, Legal and Risk Implications

- 4.2 This is a scheme that the County Council are able, but not obliged, to implement. It could have risks with regard to both the reputation of the Council and liability to the public should a trader on the scheme be found to be unsuitable. Furthermore should the scheme fail to attract suitable numbers of traders, then consumers may lose confidence in the benefits of the scheme and stop using it. In order to mitigate these potential risks, the vetting process for members will be tightly controlled and regularly reviewed. Procedures will be implemented to deal with complaints about and removal of members should this be necessary. Establishing why traders choose not to join up will allow us to address those concerns or less favourable aspects of the scheme to increase its membership numbers. Adequate insurance cover for the financial liability of the scheme should an unsuitable trader manage to obtain approval can be obtained.

## Equality and Diversity Implications

- 4.3 Details of scheme members will be available to the public via a web-search function on the Buy with Confidence website. One of the issues raised during discussions at the Enterprise, Growth and Community Overview and Scrutiny Committee related to this point and is covered in 5 below. As the scheme covers all trade categories, all legitimate businesses will be eligible to join the scheme.

## Engagement and Consultation

- 4.4 Earlier this year we conducted a short survey of residents to establish what consumers would like from an approved trader scheme, should we decide to introduce one. The results indicated that many consumers are looking for approval schemes or recommendations when employing the services of traders. We have held similar discussions with businesses at various events and again they are supportive of such a scheme.

## **5. PROCESS SO FAR**

- 5.1 In addition to the consultation briefly outlined in 4.4 above discussion have been held with the Cabinet Member for Enterprise.
- 5.2 The scheme proposal was also presented to Enterprise, Growth and Community Infrastructure Overview Committee on 11<sup>th</sup> July 2011. Members of the committee raised some concerns as to how the scheme would run and the perceived benefits. The committee did support the development of the scheme but wanted to be kept informed of the progress of the scheme.
- 5.3 The main concerns raised were:

*That in promoting the scheme the council would create liability for itself:*

- 5.4 Officers have checked with insurers and this type of activity is covered by our existing insurance arrangements. In addition a mixture of robust up front checks and a responsive complaints procedure for members of the scheme mitigates any reputational damage from failed contracts.

*That having a web based scheme would exclude those without access to the internet:*

- 5.5 The hub of the scheme has to be web based to enable officers to keep information as up to date as possible. We do recognise that this is not a suitable means of access for all. There is in place a detailed communications plan that does address this. For example we have already held discussions with Age UK about how we can best support their clients. All avenues such as libraries and Police Community Support Officers are being explored.

*That in developing this scheme we are merely duplicating other commercially available schemes?*

- 5.6 Many schemes currently available are either restricted in some way (such as only for Home Improvements) or do not have adequate upfront checks. The myriad of schemes can be confusing to consumer. Whilst we wish to promote the scheme in trade sectors we have the most complaints from the scheme is open to all businesses. We want to provide a simple message to consumers that "Buy with Confidence" is support by your

Trading Standards Department.

*That we need to keep the process as simple as possible to join:*

- 5.7 Whilst we need to undertake a number of up front checks to ensure that any applicant business is suitable these will be done by our officers. The intention is that the application process is as simple for the trader to follow as possible, to encourage applications and promote the business friendly side of Trading Standards. The Cambridgeshire Chamber of Commerce are a key partner and helping us ensure that we are not adding any unnecessary burdens.

*Are schemes such as these effective?:*

- 5.8 The Office of Fair Trading has undertaken carried out research in 2010 and highlighted a number of issues that help to make schemes such as these successful. In developing the scheme we have also identified appropriate success measures such as reductions in consumer complaints and increased business for members of the scheme. We will report regularly back to members on these.

## **6. RECOMMENDATION**

- 6.1 That Cabinet approve the establishment of the Buy with Confidence scheme within Cambridgeshire.

Source Documents	Location
Consumer and business advice policies	Policies available for the Trading Standards Offices at Sackville House Cambourne or the service intranet pages
Buy with Confidence website	The Buy with Confidence website is <a href="http://www.buywithconfidence.gov.uk">www.buywithconfidence.gov.uk</a>
OFT research	<a href="http://www.oft.gov.uk/OFTwork/markets-work/othermarketswork/home-repairs">http://www.oft.gov.uk/OFTwork/markets-work/othermarketswork/home-repairs</a>