

Consumer Codes Approval Scheme

Core criteria and guidance

March 2008

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Membership requirement

- 1.4 It is a requirement for the CCAS that all eligible members of a code sponsor's organisation sign up to the code in order to ensure a consistency of message to consumers. Consumer could be misled if not all members are required to adhere to the code and yet can still advertise their membership of the sponsoring organisation.

Preparing your code

- 1.5 The aim of the scheme is to put the 'self' back into self-regulation. Responsibility for drafting codes rests with code sponsors who have the necessary expertise in their sectors. We will not usually assist code sponsors in drafting their codes, but in exceptional cases we may do so.
- 1.6 The core criteria set out what we would expect to see in codes submitted to us for approval and what code sponsors' codes need to be able to demonstrate to get approval. We recognise elements of the core criteria may not be relevant to all sectors. We will always consider an alternative approach to meeting the core criteria if code sponsors put forward an acceptable case why the alternative proposed is more appropriate to their sector.

Presentation

- 1.7 Code sponsors must ensure the language and content of their codes and any other associated documentation, can be easily read and understood by consumers. Print size must be large enough to be easily read. We recommend that code sponsors seek accreditation from an appropriate body that their code is in plain English. Code sponsors may wish to consider producing two different publications of the code with the notes/guidance/annotation being targeted towards member businesses and consumers respectively.

Feedback

- 1.8 We welcome your feedback on the guidance. Comments should be sent to:

Organisation

Code sponsors should have a significant influence on the sector.

OUR AIM

To make sure that CCAS Approved code sponsors can influence and raise standards in their sector.

MORE INFORMATION

This is not a market share test. We will accept applications from code sponsors that can show at least one of the following:

- › membership that includes a majority of firms in their sector
- › a code that contains some of the more progressive elements in the industry
- › a code of practice in a sector where one does not already exist
- › a code of practice that provides more benefits for consumers than other codes in the same sector.

CHECKLIST

- › Provide background information about your organisation.
- › Explain how your organisation can influence and raise standards in your sector.
 - If your membership includes a majority of businesses in your sector, give details.
 - If applicable, include any examples of your organisation's previous involvement in raising standards in a sector with a significant ethnic minority group presence
- › If you don't meet the above criterion, i.e. you don't have a significant influence on your sector, explain why you think this criterion need not apply to your organisation.





Preparation

Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services have been adequately consulted throughout the preparation of the code.

OUR AIM

To make sure that your code of practice is relevant to real consumer needs.

MORE INFORMATION

Involving organisations that represent consumers, enforcement bodies and advisory services (collectively referred to in this guidance as 'advisory bodies') is a key factor in making sure that consumer codes of practice are relevant to real consumer needs.

In order for code sponsors to be able to meet this criterion the OFT will undertake and fully co-ordinate the consultation process at this stage. We will identify appropriate advisory bodies to consult based on the information supplied by the bodies themselves.

For some sectors, we may need to consult more widely, such as if a code sponsor 's members sell products to the elderly or disabled, consultation with relevant charities might be appropriate. Where members target specific ethnic minority groups it may be appropriate to consult with advisory bodies which represent them.

We will advise code sponsors of the response received from the advisory bodies. Code sponsors will not be expected to include every proposal or suggestion in their code, although a written explanation why they have excluded a particular issue will be required.

This process will be co-ordinated by the OFT after your application has been received. The evidence requirements will need to be met by you after the consultation process has been completed.

Preparation

Code sponsors shall be able to demonstrate that organisations representing consumers, enforcement bodies and advisory services are being adequately consulted throughout the operation and monitoring of the code.

OUR AIM

To make sure your code of practice stays relevant to real consumer needs.

MORE INFORMATION

To remain effective, consumer codes of practice must evolve to cover changing market conditions/practices and consumer needs.

During our co-ordination of the consultation process for the preparation of the code (see criterion 2a) we will identify relevant advisory bodies that could be consulted throughout the open market

Content

The code shall include measures directed at the removal or easing of consumer concerns and undesirable trade practices arising within the particular sector.

OUR AIM

To end undesirable trade practices.

To ease consumer concerns about undesirable practices.

MORE INFORMATION

Code sponsors should be aware of particular issues in their sector that need to be addressed. Involving advisory bodies is likely to be a key factor in making sure that codes of practice cover relevant issues for consumers. We will inform code sponsors of undesirable practices or concerns that we are aware of and think should be addressed.

Code sponsors will be required to explain how such issues have been addressed in their code. If there are consumer concerns or undesirable practices that the code sponsor is aware of but which are not currently addressed by the code, we will need an explanation of why this is so.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice that address specific consumer concerns or undesirable trade practices.
- › Information on how your organisation makes itself aware of consumer concerns and undesirable practices. Typical measures might include:
 - monitoring the nature of complaints
 - monitoring press coverage of your sector.
- › Details of how you have reacted to concerns that have been raised from all sources used, and the measures you have taken to ease them.
- › List the areas of concern and undesirable practices that you consider exist in your sector with details of how you aim to eradicate them.
- › Confirmation that your code includes measures to address specific detriment affecting ethnic minority groups if this has been identified from the consultation with advisory bodies.

CHECKLIST

- › Describe the relevant requirements in your code of practice.
- › Explain how you stay aware of consumer concerns and undesirable practices.
- › Explain how your code of practice addresses consumer concerns and undesirable practices.
- › List the areas of concern and undesirable practices that you consider exist in your sector with details of how you aim to eradicate them.

Content

The code shall require that code members ensure that their relevant staff know about and meet the terms of the code as well as their legal responsibilities. Appropriate training is to be provided.

OUR AIM

To make sure that a code member's staff understand:

- › the requirements of the code sponsor's code of practice
- › the law relating to the business's dealings with consumers and the standard of special skill and care which members may reasonably be expected to exercise towards consumers, commensurate with honest market practice and/or the general principle of good faith in their field of activity.

MORE INFORMATION

For a code member to conduct its business effectively it must make sure that its staff understand the terms of the code and the law and appropriate standards relating to the business's dealings with consumers and to their specific roles. This requires effective staff training.

The extent of the staff training required will vary depending on the staff member's role and the sector. Not all staff will need to be trained to the same level.

If a staff member deals with customers, perhaps as a salesperson or in customer service, they must have a good understanding of consumer law and be trained in the company's customer service policy. They must also know what the code of practice means for them and for their customers.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Your code of practice clearly states that members must provide relevant and effective training to make sure that their staff understand:
 - the code's provisions
 - their own legal obligations to consumers and respon /-bili71tins

Content

The code shall address clear and truthful marketing and advertising as appropriate to the sector.

OUR AIM

To make sure that consumers are protected from misleading advertising.

MORE INFORMATION

Advertisements must comply with any relevant code of advertising including:

- › the British Codes of Advertising, Sales Promotion and Direct Marketing
 - › the Television Advertising Standards Code
 - › the Radio Advertising Standards Code
 - › the PhonepayPlus code for all premium rate charged telecommunication services
 - › any other relevant code of advertising
 - › all other relevant statutory requirements, such the Consumer Protection from Unfair Trading Regulations 2008 and the Consumer Credit (Advertisements) Regulations 2004 (as amended).
-

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice.

Your code of practice must clearly state that advertisements must comply with any relevant code of advertising and/or legislation – as listed above.

CHECKLIST

- › Tell us which are the relevant requirements in your code of practice.
- › Indicate which codes of advertising are relevant to your sector.

Content

The code shall address clear and accessible pre-contractual information as appropriate to the sector.

OUR AIM

To make sure that consumers have accurate and adequate pre-contractual information that enables them to make an informed purchase decision.

MORE INFORMATION

A code of practice must require that pre-contractual information is made available to consumers. The pre-contractual information must include clear and accurate:

- › information about the main characteristics of the product
- › details of the trader's name and geographical address
- › details of any other trader's name and geographical address on whose behalf the trader is acting
- › information on key contract terms
- › explanations for any difference between the goods or services that are for sale and usual consumer expectations
- › explanations as to whether, and if so why, there is any disparity between a consumer's stated requirements and the nature of the goods or services to be purchased
- › pricing information showing the total price and a breakdown, where appropriate, of how that price has been reached including:
 - delivery charges
 - VAT charges
 - credit charges by compliance with the Consumer Credit Act and Regulations
 - any other costed items and whether optional or mandatory.
- › information about delivery, payment and any other performance arrangements
- › information about withdrawal or cancellation rights
- › information about complaint and after sales procedures
- › information on the availability and price of linked goods and services, such as routine servicing and phone helplines.
- › pre-contractual information must be available in writing and provided to consumers on request, but in any event adequate information should always be given in a form which is accessible to the consumer.

CONTINUES ON NEXT PAGE

Content

The code shall address high-pressure selling as appropriate to the sector.

OUR AIM

To make sure that consumers are protected from high-pressure selling techniques that may lead them to make an ill-informed and incorrect purchasing decision.

MORE INFORMATION

A code of practice must make it clear that high-pressure selling must not be used. This is because high-pressure selling:

- › impedes the opportunities for the consumer to be presented with clear and accessible pre-contractual information
 - › is likely to disadvantage vulnerable consumers
 - › does not allow consumers to make informed purchasing decisions based on clear and comprehensive information.
-

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice.
- › Your code of practice must clearly state that high-pressure selling must not be used.
- › Details of any measures taken by the code sponsor to remove or reduce the possibility of consumers being subject to high-pressure selling techniques, such as training courses to members' sales staff in selling methods.

Content

The code shall address clear terms and conditions of supply and fair contracts as appropriate to the sector.

OUR AIM

To make sure that consumers are provided with clear and fair contractual terms and conditions.

Content

The code shall address delivery and completion dates as appropriate to the sector.

OUR AIM

To make sure that consumers are given the opportunity to agree appropriate delivery and completion dates that meet their requirements.

times. They must also have the opportunity to agree completion dates in advance of placing their order or making their purchase.

Consumers must be given as much advance notice as possible of any subsequent delays in delivery or completion. Then they must be given the opportunity to negotiate alternative delivery or completion arrangements if they wish to do so.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › The code of practice clearly states that members must provide consumers with:

Content

The code shall address cancellation rights as appropriate to the sector.

OUR AIM

To make sure consumers understand their cancellation rights and have the opportunity to use them.

MORE INFORMATION

Code members must provide clear and accurate information on any cancellation rights which:

- › are provided in law
 - › they offer although not required by law.
-

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice which include a statement of your members' responsibilities on cancellation rights.
 - › Your code of practice will include clear details of any additional cancellation rights that you require your members to offer.
 - › Confirmation that there is a requirement within your code that information will be made available to individual consumers on request in alternative formats as appropriate (other languages, Braille, audio) where advisory bodies have indicated there is specific consumer detriment affecting these groups within the sector covered by the code.
-

CHECKLIST

- › Tell us which are the relevant requirements in your code of practice.

Content

The code shall address guarantees and warranties as appropriate to the sector.

OUR AIM

To make sure that consumers understand all the guarantees and warranties that apply to their transaction.

GUIDANCE

Code members must provide the consumer with clear and accurate details of:

- › standard guarantees and warranties that are included in any transaction
- › which guarantees and warranties are optional
- › the cost of such additional guarantees/warranties
- › who the additional guarantees/warranties are offered by.

Code members must clearly explain the nature and key elements of any additional optional guarantees and warranties to consumers.

Code members must not use high-pressure selling of additional warranties, nor misrepresent their costs, coverage or the benefits they provide.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice.

"

Content

The code shall address protection of deposit or prepayments as appropriate to the sector.

OUR AIM

To make sure that deposits or prepayments made by consumers are protected and are refunded swiftly where appropriate.

MORE INFORMATION

Where the loss of deposits and/or prepayments would cause the consumer to suffer financial detriment or inconvenience (as determined by the OFT and identified by advisory bodies), code sponsors must make sure that protection mechanisms are in place so that consumers will have their advance payments fully and speedily refunded if a code member is unable to meet a promise to supply goods or services. This could happen in a number of situations, such as when the goods/service are not available for any reason or the member has ceased trading due to liquidation/bankruptcy or in cases of fraud. The protection should still apply if the business ceases to be a code member before the promise is met.

Code members must not subject consumers to excessive form-filling or other procedures before their payments are refunded.

Code members must make consumers aware of these provisions in clear pre-contractual information.

- › High risk of loss of prepayments/deposits within the sector identified from consultation with advisory bodies
- › History of detriment to consumers within the sector because of loss of prepayments/deposits due to non-fulfilment of orders or by traders going out of business or by traders acting fraudulently
- › Future assessment of risk of loss of prepayments eg market stability, level of business turnover, willingness of other code members to step in to fulfil commitments following the collapse of traders

- › Where the consumer detriment arising from loss of deposits/prepayments is significant due to serious inconvenience and/or financial loss. The replacement of the goods/service would be

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Content

The code shall address customer service provisions as appropriate to the sector.

OUR AIM

To make sure that consumers are provided with effective and appropriate customer service.

MORE INFORMATION

Customer service has a wide definition and will vary by sector. It is not restricted to enquiries after the customer has paid for and received goods or services.

Consumers may have enquiries at different times or events including:

- › before a contract has been agreed
- › after ordering
- › after booking
- › after paying
- › after receiving their goods or services.

Code members must have accessible and user-friendly procedures in place to ensure that these enquiries are dealt with effectively. The specific requirements for a code will depend on the sector.

Whenever possible, customer service that goes beyond the requirements of law should be provided free or at a reasonable charge. We would regard it as unreasonable to charge premium rates for calls to after-sales service phone numbers

Customer service is not the same as complaint handling, which we cover elsewhere in the core criteria. It is useful to remember though that effective customer service provisions can help avoid complaints.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice that members have accessible, user-friendly, free or reasonably charged customer service provisions.
-

CHECKLIST

- › Tell us which are the relevant requirements in your code of practice.



Complaints

The code shall include a requirement that code members shall have in place speedy, responsive, accessible and user friendly procedures for dealing with consumer complaints. A specific reasonable time limit for responding to complaints shall be prescribed.

OUR AIM

To make sure that complaints from consumers are dealt with quickly and effectively.

MORE INFORMATION

Code members' point of sale, pre-contract material and contractual material must publicise access to the complaints system.

Code members must fully inform consumers of the key elements of the complaint system, including:

- › full contact details
- › any information they must provide – this must be reasonable and not require excessive detail or form-filling
- › reasonable timescales for dealing with the complaint – including a timescale for resolution
- › details of any further complaint procedures in the event that the business is unable to satisfy the complainant.

TYPICAL EVIDENCE YOU COULD PROTECTIVE DOCUMENTS

Complaints

The code shall include a requirement that code members will offer the same level of co-operation with local consumer advisers or any other intermediary acting on behalf of a consumer when making a complaint as they would to the complainant.

OUR AIM

To ensure code members provide the same level of co-operation to an intermediary who acts on behalf of a complainant as they would offer to the complainant him/herself.

MORE INFORMATION

Consumers may need the assistance of others with more expertise and experience of dealing with a complaint. It is not acceptable for a code member to say they will deal direct with the consumer only.

The code must make this requirement clear.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › Relevant requirements in your code of practice.

CHECKLIST

›

Complaints

The code shall include procedures for dealing with complaints including the availability of conciliation services directed at arranging a decision acceptable to both parties.

OUR AIM

To make sure that in the case of complaints that are not resolved by the code member's own complaints procedure, there is the opportunity to resolve them through conciliation.



Complaints

Monitoring

The code sponsor shall develop performance indicators, e.g. mystery shopping exercises and independent compliance audits, to measure the effectiveness of the code.

Monitoring

The code sponsor shall provide a written report annually to the OFT on the operation of the code to include:

- changes to the code agreed with the OFT and implemented
- numbers and types of complaints including information on outcomes from the conciliation process and the independent redress scheme
-



Consumer satisfaction shall be regularly assessed.

OUR AIM

To make sure that consumer satisfaction is an integral part of keeping pace with changing circumstances and expectations.

MORE INFORMATION

Collecting regular feedback from consumers is an effective way of assessing whether the code is working well and identifying areas of the code of practice that need to be changed.

We expect the code sponsor or, ideally, an independent party to conduct consumer satisfaction assessments annually at least.

It is up to the code sponsor to decide the best way to assess consumer satisfaction. One way could be for the code sponsor (or independent body) to periodically send out questionnaires to code members' customers. Another could be for members to steer customers to a questionnaire on the code sponsor's website via details included on its invoices. We are not prescriptive regarding the types of questions that should be included in any questionnaires used, but the questions should be sufficiently phrased to be able to gauge how happy a consumer has been in transacting with a member. Obligations under the Data Protection Act will need to be considered in relation to the disclosure of information. Proposals for the means by which code sponsors will assess consumer satisfaction must be agreed with the OFT at Stage One.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › For Stage One, we require:
 - a written undertaking that you will regularly measure consumer satisfaction, and
 - details of how you will assess consumer satisfaction.
- › For Stage Two, we will require evidence of your assessments of consumer satisfaction.

CHECKLIST

- › Explain how you assess, or plan to assess consumer satisfaction.
- › Tell us how often you will carry out your assessments.
- › You are likely to have the following information only if you already assess consumer satisfaction. If you do have this information, please provide the following details:
 - sample sizes
 - copies of any questionnaires you use
 - copies of the procedures you follow for conducting the assessments
 - a summary of the results.

Enforcement

Code sponsors shall establish a procedure for handling non-compliance by members with the code. The procedure shall include independent disciplinary procedures and reasonable timescales for action.

OUR AIM

To make sure that any breach of a code of practice is dealt with as effectively, impartially and quickly as possible.

MORE INFORMATION

A code sponsor's procedure for handling non-compliance must:

- › deal effectively with breaches of the code of practice
- › be fair to the member who is being investigated.

The disciplinary procedures must be

- › independent of code sponsors and their members, and
- › independent of the industry.

Enforcement

The code sponsor shall also set out a range of sanctions, e.g. warning letters, fines, termination of membership, for dealing with non-compliance.

OUR AIM

To make sure that consumers and code members are clear about the escalating sanctions that code members will face for any breaches of a code of practice.

Publicity

Code sponsors and members shall ensure that their customers are aware of the code.

OUR AIM

To make sure that consumers understand the benefits of dealing with an organisation that subscribes to a code of practice.

MORE INFORMATION

Effective publicity is essential for communicating the benefits of dealing with an organisation that subscribes to a code of practice. The publicity must make consumers aware of what they can expect from a business that subscribes to the code.

If more consumers are aware of these benefits, it will increase demand for code member's products and services. In turn, this will raise standards of customer service in the code sponsor's sector.

TYPICAL EVIDENCE YOU COULD PROVIDE

- › A written statement describing how you propose to ensure customer awareness of your code, including examples of:
 - literature you will produce
 - brochures you will distribute
 - posters you will produce for display in members' premises.

It is not enough just to display a logo or merely to refer to a code of practice as consumers may not be aware of what this means.

A written statement confirming that you and your members will ensure that copies of the code and other code publicity material will be made available to individual consumers on request in alternative formats as appropriate (other languages, Braille and audio) where advisory bodies have indicated, (and provided evidence), that there is specific consumer detriment affecting these groups within the sector covered by the code.

CHECKLIST

- › Explain how you will make consumers aware of the benefits of dealing with an organisation that subscribes to your code of practice.

Publicity

Copies of codes shall be available without charge to customers, to members, to local consumer advisers and to others with a legitimate interest.

OUR AIM

To make sure that codes of practice are freely available for customers and other interested parties.

MORE INFORMATION

Code sponsors must make sure that copies of their code of practice are readily available. When it's not possible for copies of the code of practice to be available, contact details for getting copies must be readily available.

practice for those with a legitimate interest.

practice this will mean they can get a hard copy of the code:

- › from a code sponsor's premises or code members' premises
- › by phoning a code sponsor or code member



Publicity

Code sponsors and members shall publicise the

