

HERTFORDSHIRE COUNTY COUNCIL

**COMMUNITY SAFETY AND WASTE MANAGEMENT
CABINET PANEL**

WEDNESDAY 10 FEBRUARY 2016 AT 10:00

**PROPOSALS TO INTRODUCE A NEW TRADING STANDARDS'
APPROVED-TRADER SCHEME**

Report of the Director of Community Protection (Chief Fire Officer)

Author: - John Boulter, Head of Protection (Business)
(Tel: 25951)

Executive Member: - Richard Thake, Community Safety & Waste
Management Portfolio

1. Purpose of report

- 1.1 To inform the Cabinet Panel of plans to withdraw from the current 'Buy With Confidence' approved-trader scheme and, instead, enter into a new partnership with Which? Trusted Traders, in order to run a broadly similar scheme in Hertfordshire, publically endorsed by Hertfordshire Trading Standards and administered by Which? Trusted Traders.

2. Summary

- 2.1 Buy with Confidence (BWC) was launched as an approved trader scheme in Hertfordshire during early 2013, replacing the previous Trustmark scheme. It was felt, at that time, that BWC offered a greater opportunity to influence consumers than the previous Trustmark scheme which was limited to traders in the home maintenance category. However, despite a wide range of marketing activity over a prolonged period, only 50 businesses have joined the scheme. The relatively small number of businesses signing up for BWC means that in some trade sectors there is little choice for consumers and therefore the current scheme has a limited impact on consumer behaviour.
- 2.2 Which? Trusted Traders (W?TT) has recently approached Trading Standards, offering to enter into a partnership with Hertfordshire County Council, to operate an approved trader scheme, on Hertfordshire County Council's behalf. The proposed scheme would mirror the existing BWC scheme, supplemented by some additional Trading Standards' checks, including criminal records check and also carry with it the endorsement: 'Trading Standards approved'.

- 2.3 This proposition provides an opportunity to significantly reduce the amount of resource put into running a scheme whilst still retaining a high degree of confidence in the integrity of those arrangements. In addition to the efficiency savings for officer time the W?TT scheme is likely to achieve far greater brand recognition. It offers consumers a much greater range of businesses to choose from and, in turn, potentially offers greater business opportunities for those companies who become members of the scheme. Hertfordshire County Council also has the opportunity to influence the design of the new scheme and the market sectors to which it might expand over time.

3. Recommendation

- 3.1 The Community Safety and Waste Management Cabinet Panel is invited to:
- a) Support the proposal to withdraw the Buy with Confidence (BWC) scheme in Hertfordshire.
 - b) Endorse a new 'Trading Standards approved' scheme which will be delivered, in partnership, with Which? Trusted Traders.

4. Background

- 4.1 An approved trader scheme aims to help consumers choose a reputable business. This preventative approach supports a priority area of work for Trading Standards in reducing the opportunities for rogue traders to target Hertfordshire consumers and to promote a fair and equitable trading environment for Hertfordshire businesses.

Buy with Confidence (BWC)

- 4.2 The BWC scheme was initially launched by Hampshire Trading Standards in 1999 and has steadily grown with over 50 local authorities (mainly in the South of England) now taking part. Trading Standards South East (TSSE) provide the coordination for the scheme nationwide.
- 4.3 Businesses who successfully join the scheme can rightfully claim that they are 'Trading Standards approved' and display the BWC logo. The scheme aims to support consumers choosing a reputable business.
- 4.4 In order to become a BWC member, a business must first apply or be recommended to join the scheme and then pass a set of tailored background checks. Amongst other checks, each applicant will have their complaint history reviewed and will receive an audit visit from a Trading Standards Officer. Good references are required from previous customers and applicants must agree to abide by the scheme's code of conduct, which requires them to follow the letter and spirit of the law. DBS / criminal records disclosure is also required for employees of any members who carry out work in consumers' homes.

- 4.5 Other local authorities who have been running the BWC scheme for a significantly longer period of time are reporting a slowdown in applications in recent years, with member numbers now remaining static. It is thought that this is due to the large number of heavily promoted commercial providers now in the market.

Which? Trusted Traders (W?TT)

- 4.6 The difficulties encouraging Hertfordshire businesses to join BWC and, consequently, the failure to establish a 'critical mass' that provides sufficient choice for consumers coincides with a renewed emphasis to ensure that limited staff resources are used as effectively and efficiently as possible. Consequently, discussions have taken place with Which? Trusted Traders (W?TT) about the possibility of entering into a partnership to run a scheme in Hertfordshire which would see Trading Standards continued involvement in, and support for, an approved trader scheme but which would free up valuable staff resource to concentrate on other areas of risk reduction and consumer detriment.
- 4.7 The intention would be to run a scheme on a broadly similar basis to BWC. Similar pre-application checks would be carried out by W?TT with audits carried on applicants by qualified Trading Standards professionals (employed by W?TT). Unlike the current W?TT scheme a Hertfordshire variation with the additional wording, 'Hertfordshire Trading Standards Approved' would also include;
- Pre-application intelligence checks carried out by Hertfordshire Trading Standards Officers to ensure applicant businesses are suitable to join the scheme.
 - DBS / criminal record checks will be undertaken for the business's 'controlling mind'; as well as the business requiring self declaration for all employees which will also be subject to sample checks (this will be monitored as part of the W?TT audit).
 - Promotion of the W?TT scheme by Hertfordshire County Council.
 - Joint W?TT and Trading Standards Approved branding for members.

With these additional areas, the levels of consumer protection will be very similar for both BWC and W?TT schemes (see appendix 1 for the main characteristics of the two schemes).

- 4.8 Both Hertfordshire County Council and WTT have shared goals of reducing rogue trader activity and increasing consumer confidence. Which? operates as an independent group social enterprise working for

all consumers and receives no government money, public donations, or other fundraising income. All the money from their commercial ventures is ploughed back into campaigns and free advice for all.

Costs and transitional arrangements

- 4.9 Previous discussions with current BWC members have highlighted a preference for Hertfordshire County Council to continue with the existing BWC scheme rather than move to a partnership with another provider. Three main reasons were given;
- 1) a strong desire to maintain the 'Trading Standards Approved' branding,
 - 2) a preference for an independently operated scheme focused on consumer protection rather than providing leads for businesses or profit for the scheme operator,
 - 3) the cost of other schemes which are generally significantly more expensive than BWC.
- 4.10 As well as having to meet the new BWC criteria some members have incurred costs in changing stationary, websites and logos on vehicles. Should current members not want to move to the W?TT scheme they will be able to transfer to a neighbouring authority's BWC scheme (e.g. Essex or Cambridgeshire County Council) who can accept members from other areas that do not offer BWC. This would give existing members a choice to either move over to W?TT or remain with BWC (or both).
- 4.11 It is recognised that a major consideration is likely to be the annual cost for businesses (WTT is more expensive for businesses). To mitigate this W?TT will offer current BWC members the opportunity to move over to W?TT at the same cost for the first year and maintain this flexibility with a subsidised rate in year 2.
- 4.12 Unlike BWC, W?TT is not available across all business sectors. The W?TT scheme is currently targeted at home improvement and vehicle repair businesses (two of the highest areas of consumer detriment). It has however been agreed that all of the current BWC companies would be eligible to join the new scheme.

Business and consumer benefit

- 4.13 As well as providing an opportunity to reduce the amount of resource put into running a scheme, a partnership with W?TT would give Hertfordshire consumers a much greater choice of local endorsed W?TT businesses to select from.
- 4.14 As well as greater brand recognition, W?TT have much greater resources to promote the scheme to both consumers and businesses which in turn has the potential to deliver a much bigger and more recognised scheme than BWC. Unlike BWC, W?TT also provide an

independent Alternative Dispute Resolution (ADR) scheme to provide a simple and free route to resolving complaints about W?TT businesses.

- 4.15 Initial feedback from other local authorities running BWC within the Eastern region indicates that they wish to continue with BWC rather than form a commercial partnership with another trader scheme. Unlike Hertfordshire, most of these have a significant number of members and so would lose a large amount of income if they ceased to operate BWC. Most of these members were signed up when there was significantly less competition from commercial providers and whilst they are maintaining existing numbers most are not seeing increases in recent years.

5. Financial Implications




- 5.1 This proposed change in provider will entail no additional cost to the Authority. We will continue to promote the scheme matching the existing budget used to support that activity.

6. Equalities

- 6.1 There are no equalities issues arising from this work.

Appendix 1

Comparison of the two schemes

	  buywithconfidence.gov.uk	
Annual Cost	<p>One off application fee of £100 plus VAT.</p> <p>Annual membership fee of between £100 and £200 (depending on no. of employees)</p>	<p>One off application fee of between £60 and £240 plus VAT (this fee is for new applicants only, and would not apply to existing BWC members)</p> <p>Annual membership fee of between £480 and £1,580 (depending on no. of employees)</p>
Marketing	Focused on community events and free / low cost advertising	<p>Sponsorship of national TV and radio programmes (e.g. 'Afternoons' on ITV3)</p> <p>Printed directory (at additional cost to business)</p>
Vetting	<p>Personal Interview and check of Qualifications</p> <p>Insurance</p> <p>Referees</p> <p>Credit Score</p> <p>Code of Conduct</p> <p>DBS / criminal records check</p> <p>Review of Terms & Conditions, website and printed material</p> <p>Check on TS, CITA and Intel databases</p> <p>TSO Audit / Inspection visit</p> <p>Annual renewal</p>	As BWC (Check on TS, CITA and Intel databases and DBS / criminal records check not part of current offer but to be incorporated into W?TT / HCC partnership)
Feedback	<p>Feedback forms given to all customers (can also leave feedback online).</p> <p>All negative feedback reviewed.</p>	Online feedback form
Website ranking / popularity (UK)	32,518	167 (main Which? site)
Dealing with complaints	Intervention service offered by TSO.	Independent Alternative Dispute Resolution Service.
Other support / benefits	Free advice & regular updates on Consumer Protection legislation.	As BWC