

# Trading Standards Service Factsheet

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## CODES OF PRACTICE

### Background

The Fair Trading Act 1973 gave the Office of Fair Trading (OFT) a duty to encourage the growth of trade association codes of practice. Since then codes of practice have been established across a range of trades including new and used cars, funerals, mail order, travel agents and double glazing. However not all codes of practice are sponsored by the OFT and there are many independent trade associations and codes to be found.

### Why Codes of Practice?

#### **For**

- Allow for alternative dispute resolution process.
- Lessen the burden on the judicial system.
- By avoiding possible court proceedings reduces stress on the consumer.
- Codes can be adapted to the particular trade which is not possible through legislation.

#### **Against**

- Can be an attempt by trade to raise the profile and public relations of a trade.
- Trades accept codes in an attempt to avoid legislation?
- Some traders will not sign up to a code leaving the consumer confused as to their position.
- Independence of some codes and their redress system can be questioned.

### **OFT Codes of Practice**

In 1996 the OFT produced a consultation paper which found that 'codes did not seem significantly to reduce consumer dissatisfaction.' They found that codes varied in respect of their effectiveness and there was no overall OFT coherence of approach. The paper also found that there was no effective independent redress systems.

### **OFT Codes of Practice 2001**

In 2001 the OFT introduced a Consumer Codes Approval Scheme which is actively marketed by the OFT. The scheme is designed to promote and safeguard consumer interests by helping consumers to identify better businesses and to encourage businesses to raise their standards of customer care. The codes include a logo which can be used by the trade and will allow consumers to identify trustworthy businesses they can buy from. The logo also provides a useful marketing tool for the trader.

The new codes introduced a two stage test for approval by the OFT of a code. The first test consists of core criteria the trader has to meet. This includes members meeting their obligations under consumer protection and other laws and a code should offer specific and worthwhile benefits beyond the law. An OFT sponsored code will have independent disciplinary procedures to deal with any trader who does not comply with the code. The code will allow for a speedy, responsive and user friendly way of dealing with complaints within a reasonable time scale.

### **How to access OFT approved codes**

Go to [http://www.offt.gov.uk/oft\\_at\\_work/consumer\\_initiatives/codes/](http://www.offt.gov.uk/oft_at_work/consumer_initiatives/codes/) to check if a trader you are considering buying goods or a service from is on the OFT's codes approval scheme.

The website allows a consumer to search under industry types including car body repair, car repair and servicing, credit, direct selling, estate agents, home furnishings, motor trade and removers. It is also possible to search under your post code to see how many traders in your area are part of the scheme.

Individual codes of practice can be viewed which allows the consumer to see what added protection they may have if something goes wrong.

### **If a Code of Practice does not prove effective**

It should always be remembered that a code of practice is in addition to a consumers rights and does not replace them. If a consumer feels that they have not got satisfaction from the processes provided for under the code then they are still able to take action under their consumer rights. This could include pursuing a case through the courts for breach of contract under the Sale of Goods Act 1979 (as amended) or the Sale and Supply of Goods Act 1982.

If a consumer feels that the trader has not complied with the code then they should get in touch with Consumerline on 0845 6006262.

Finally if a trader claims to be a member of a trade association or a code of practice when this is not the case, there are potential criminal offences under the Consumer Protection from Unfair Trading Regulations 2008.