

# **The Consumer Voice on Brexit**

**NCF Consumer Congress 2017  
Summary Report & Key Messages**



**National Consumer Federation (NCF)**



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**Prepared by: Julie Hunter**

**On behalf of: The National Consumer Federation (NCF)**

5 Prima Park, Berrington Way, Basingstoke RG24 8GT

[www.consumer.network](http://www.consumer.network) | @NCFvoice

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<b>1. MESSAGE FROM THE NCF CHAIR .....</b>	<b>4</b>
<b>2. INTRODUCTION.....</b>	<b>5</b>
2.1 IMPACT OF BREXIT ON CONSUMERS.....	5
2.2 IMPORTANCE OF THE CONSUMER VOICE .....	5
2.3 NCF CONSUMER CONGRESS ON BREXIT .....	6
<b>3. KEY MESSAGES TO GOVERNMENT.....</b>	<b>8</b>
3.1 CONSUMER PARTICIPATION AND COLLABORATION.....	8
3.2 SUPPORT AND FUNDING FOR UK CONSUMER ORGANISATIONS .....	8
3.3 UK POLICY TO PROTECT CONSUMERS.....	8
3.4 REMAIN ACTIVE ON THE EUROPEAN AND INTERNATIONAL STAGE .....	8
3.5 ENSURE SAFETY OF PRODUCTS AND SERVICES.....	9
3.6 SUPPORT UK BUSINESSES .....	9
3.7 SINGLE STANDARDS SOLUTIONS .....	9
3.8 MARKET SURVEILLANCE AND ENFORCEMENT .....	9
3.9 REDRESS WITHOUT BORDERS.....	9
3.10 CONSUMER VULNERABILITY .....	9
3.11 INFORMATION AND ADVICE.....	9
<b>4. BREXIT CHALLENGES AND OPPORTUNITIES.....</b>	<b>10</b>
4.1 INTRODUCTION.....	10
4.2 THE BREXIT DEAL .....	10
4.3 WORKING WITH GOVERNMENT .....	11
4.4 GLOBAL CONSUMERS IN A GLOBAL ECONOMY .....	12
4.5 LEGISLATION AND REGULATION.....	13
4.6 BUSINESS AND INDUSTRY .....	14
4.7 STANDARDS SOLUTIONS.....	15
4.8 MARKET SURVEILLANCE AND ENFORCEMENT .....	16
4.9 REDRESS.....	17
4.10 CONSUMER VULNERABILITY .....	18
4.11 INFORMATION.....	19
4.12 CONSUMER REPRESENTATION .....	20
<b>5. CONCLUSION .....</b>	<b>22</b>
<b>6. ANNEX 1 – CONGRESS PROGRAMME.....</b>	<b>23</b>
<b>7. ANNEX 2 – ORGANISATIONS REPRESENTED AT CONGRESS.....</b>	<b>25</b>

## 1. MESSAGE FROM THE NCF CHAIR

We, the citizens of the United Kingdom of Great Britain and Northern Ireland, are facing a monumental upheaval of our legislation and trading patterns. Consumers play a vital role in our economy and their views should be listened to and acted upon. The National Consumer Federation (NCF) wants the best of Brexit for all UK consumers. We believe this can only happen if representatives of the consumer movement are active participants in Brexit discussions. We must have a seat at the negotiating table to ensure that the consumer voice is heard.



NCF Consumer Congress 2017 brought experts from around the UK together to explore what Brexit means for consumers. Our aim was to send a clear message to government about the importance of consumer protection, and what needs to be done to maintain and enhance this. I believe that Brexit provides a unique opportunity to take a fresh look at consumer protection in the UK, to change the way that consumer issues are addressed, and bring positive benefits to consumers and the UK economy.

I was reassured when Lord Bridges, Minister for DExEU, opened Congress by saying that consumer protections are crucial for consumer confidence and a strong economy, and that the Great Repeal Bill will ensure that the rights and protections that are derived from EU regulations and directives will continue. But as we leave the European Union, the devil will be in the detail. Hence, it is vital that all of us with insight into the key concerns of consumers, organise ourselves and work together to provide invaluable advice to those in Government.

**Section 3** of this report summarises our key messages to government, detailing what consumers want and need as we leave the European Union. **Section 4** provides greater detail of the discussions that took place at NCF Congress 2017. A great deal of follow-up activity is needed if we are to make the most of the opportunities presented by Brexit for consumers. Let us raise the bar for consumer protection in the UK, and by so doing, raise economic competitiveness to new levels – by working together with businesses and government I believe we can achieve this.

**Arnold Pindar**  
**NCF Chair**

## 2. INTRODUCTION

### 2.1 Impact of Brexit on consumers

Brexit will have a significant impact on the lives of all UK consumers. Not only those who currently live, work or travel within the European Union (EU) but also those whose lives are governed by EU policy that gives UK consumers certain rights and protections. Areas that may be affected include:

- Cars and petrol prices
- Consumer rights
- Cross-border trade
- Digital services – privacy and security
- Dispute resolution
- E-commerce
- Education
- Employment
- Energy and lightbulbs
- Environment and sustainability
- Financial services – bank accounts, savings, insurance, pensions and investments
- Food - safety and labelling
- Health and social care
- Homes and mortgages
- Travel, passenger rights and roaming charges

As yet, the future is uncertain and the details of our withdrawal have not been worked out. This is the perfect time to develop a broad vision of the United Kingdom post Brexit, and to think about what consumers want and need from Brexit.

### 2.2 Importance of the consumer voice

Consumers play a vital role in our economy, spending £1.2 trillion each year on products and services.<sup>1</sup> They are the end users of products and services delivered by UK businesses, governments and other organisations. As such, their needs should be central to Brexit negotiations.

Protecting consumers is not just something ‘nice’ to do. It is essential to a successful UK economy. Consumer confidence in markets is an essential driver of purchasing behaviour. When consumers feel that they can trust the safety, quality and fairness of

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<sup>1</sup> ONS Household expenditure (Q4 2015 to Q3 2016)

products and services, and have faith in the redress system, they are more likely to spend and support the economy. Delivering key consumer rights and protections is therefore vital to a successful Brexit. Only consumers can provide expert detailed accounts of what it is like to use products and services. A perspective that business often misinterpret or fail to understand fully. Industry experts often think that they understand consumer perspective but they can be biased by business considerations away from the practical experiences of the use of their products and services. Businesses can significantly improve their performance by working with consumers, and those that represent them, to understand this unique and valuable perspective.

## 2.3 NCF Consumer Congress on Brexit

### 2.3.1 Aims

UK consumers, and those that represent their views, came together on 6th April 2017, at the National Consumer Federation (NCF) Congress in Whitehall, to discuss the best ways to maintain and enhance consumer protection after our departure from the EU, to develop key consumer messages on Brexit and to ensure that these are communicated to the relevant decision-makers in government at a point in the process when change is still possible.

### Congress: Key Facts

- Run by the NCF
- Took place in Whitehall on 6<sup>th</sup> April 2017
- Topic “Best of Brexit for Consumers”
- Attended by 81 experts from UK consumer and public interest organisations
- Aim – to develop a consistent consumer message on Brexit

Consumer Congress is an occasional event organised by the NCF and is an effective proven platform, uniting key thinkers, influencers and consumers from a wide variety of backgrounds to discuss the issues that matter UK consumers.

### 2.3.2 Attendees

The NCF Consumer Congress 2017 was attended by more than 80 representatives from a range of key consumer and public interest organisations including: Which?, Citizens Advice, Ombudsman Services, Trustmark, British Standards Institution, Chartered Trading Standards Institute and Age UK. Congress was also attended by Lord Bridges of Headley, Minister for Exiting the European Union, DExEU, and Malcolm Harbour, former MEP and Chair of EU Parliament Internal Market and Consumer Protection (IMCO) and Baroness Judith Wilcox. The day’s discussions were facilitated by Jacqueline Minor, Former Director for Consumer Policy and Head of the Commission Representation in the UK. For a full list of Congress attendees please see **Annex 2**.

### 2.3.3 Congress discussions

Consumer Congress 2017 examined what Brexit might mean for consumers. Lord Bridges gave the opening address. In his speech, he reassured consumers that their voice would be central to Brexit negotiations and that ongoing discussions were

crucial. He said it is vital to ensure that consumer rights are maintained, products remain safe and we have a robust system of enforcement.

He said: "We are determined to protect consumers' rights and provide as much certainty for people as possible. That is why the Great Repeal Bill will ensure that the rights and protections that are derived from EU regulations and directives – ranging from food labelling to unfair contract terms — will continue. We want to continue talking with consumers about their priorities as we enter into negotiations, and we are also determined to cooperate closely with our EU partners after we leave."

During the morning session, organisations that work to protect consumers - through regulation, standards, ombudsmen services, trade associations, trust schemes and enforcement - presented their views on the opportunities and challenges presented by Brexit. During the afternoon, key consumer organisations discussed the perceived benefits and risks from the consumer perspective. This session was followed by interactive breakout sessions where delegates were given the opportunity to generate ideas and discuss potential solutions regarding the best ways to maintain and enhance consumer protection post-Brexit.

**Section 3** of this report summarises the key consumer messages to government, and **Section 4** provides further detail of the discussions that took place.

Please see **Annex 1** for the full programme.

## 3. KEY MESSAGES TO GOVERNMENT

### 3.1 Consumer participation and collaboration

Consumer input is vital to get the best from the Brexit deal. The consumer voice must be central to Brexit discussions from the start, and be given fair and equal weight to that of other stakeholders in the process. Representatives of the consumer movement must be invited to participate actively in discussions, to ensure that they can contribute valuable expertise when strategies and policies are being shaped.

In April 2017, Which?, Citizens Advice and the Money Saving Expert wrote to the Prime Minister asking her to create a high level working group focused solely on securing the best possible Brexit deal for UK consumers. Congress urges the Government to establish this group without delay, to ensure that consumer protections are maintained, and where necessary improved, as we leave the EU. **(See 4.3 and 4.12)**

### 3.2 Support and funding for UK consumer organisations

Consumer and public interest organisations in the UK already operate with very limited resources. Given the potential consumer detriment that could arise as a result of Brexit, and the potential for widespread impacts on the UK economy as a whole, it is vital that the UK government continues to support key consumer and public interest organisations, and ensures adequate funding where necessary, to ensure the consumer voice can be fairly and adequately represented. **(See 4.12)**

### 3.3 UK policy to protect consumers

Brexit should not diminish levels of consumer protection. Following Brexit, national policies dealing with consumer protection must not fall below those of existing EU regulation. Where there are gaps in domestic policy, there is an opportunity to enhance and strengthen consumer protection. Key cross-border legislation such as e-commerce, health and passenger rights should be retained. **(See 4.5)**

### 3.4 Remain active on the European and international stage

Businesses and consumers operate in a global economy, so it is imperative that the UK continues to engage actively with relevant European and international organisations so that it can continue to influence the development, and benefit from, cross-border legislation, regulation, standards, market surveillance, enforcement and redress. **(See 4.4)**

### **3.5 Ensure safety of products and services**

Consumer safety must remain a priority. Consumers buy products and services from a global market so quality standards, intelligence sharing and systems of redress must continue to operate cross-border to remain effective.

### **3.6 Support UK businesses**

Government needs to nurture UK businesses and give them the information, tools and support they need to be competitive in a global market. It should do everything possible to encourage best practice – and promote how this is in the best interests of consumers and the UK economy as a whole. **(See 4.6)**

### **3.7 Single standards solutions**

Voluntary standards provide detailed guidance to industry, facilitating cross-border trade and offering great benefits to UK consumers. Congress strongly supports British Standards Institution (BSI) commitment to remain a full member of CEN and CENELEC post-Brexit. This is vital to enable experts from the UK consumer movement to continue their valuable contribution to the development of European and international Standards. **(See 4.7)**

### **3.8 Market surveillance and enforcement**

Consumer rights and protections are only meaningful if effective systems of monitoring and enforcement are in place. It is vital that adequate resources are allocated to these, and to all methods of consumer representation. **(See 4.8)**

### **3.9 Redress without borders**

Consumers need accessible and effective mechanisms of redress, whether they have purchased products or services within the UK, or cross-border. **(See 4.9)**

### **3.10 Consumer vulnerability**

Consumers in vulnerable situations are at the highest risk of detriment and it is essential that legislation continues to protect and support those who need it most. The Government must recognise that anyone can be vulnerable at any time, and that the definition of vulnerability is much broader than traditionally recognised. **(See 4.10)**

### **3.11 Information and advice**

Consumers and businesses need clear, relevant and timely information regarding their rights and obligations and where to go for help and advice, both during and post-Brexit. **(See 4.11)**

## 4. BREXIT CHALLENGES AND OPPORTUNITIES

### 4.1 Introduction

A range of organisations exist to represent the interests of UK consumers, such as [Which?](#), [Citizens Advice](#) and the [National Consumer Federation \(NCF\)](#). [BEUC](#) and [ANEC](#) defend consumer interests in Europe, and [Consumers International](#) represents global consumers. There are also many organisations that work to protect consumers by ensuring that products and services are safe and of good quality, through legislation, regulation, standards, monitoring and enforcement. Together these organisations have an in-depth knowledge of consumer needs and can speak with authority on the potential impact of Brexit, and what consumers might want or need. For details of the programme and key speakers, see **Annex 1**.

This chapter of the report summarises the discussions that took place between these representatives at the NCF Congress, 2017, which highlight key observations and concerns from the perspective of those that currently involved in consumer protection, and those that represent UK consumers.

Speakers and delegates acknowledged that Brexit presents many challenges to their work, but could also provide opportunities to improve consumer protection, fill in the gaps and strengthen areas of weakness.

### 4.2 The Brexit deal

#### 4.2.1 *A period of uncertainty*

The UK is entering a period of uncertainty. At present, no one knows what Brexit will mean for them as it all depends on the terms of our negotiations with the EU, how the UK government decides to deal with existing legislation and the details of any global trade agreements that are made. There have been talks of a ‘hard’ Brexit, a ‘soft’ Brexit and all other types of Brexit in between. Jackie Minor acknowledged that: “we don’t know how the Brexit deal will take shape” however, it is likely that there will be a significant impact on UK consumers.

#### 4.2.2 *Opportunities*

Congress participants recognised that now is the perfect time for the consumer movement to come together to build consensus on issues of importance, and to discuss the criteria that they consider will lead to a successful Brexit for consumers. We must all recognise that this is a process of evolution.

Congress attendees agreed with Arnold Pindar that “we have been dealt our cards and now we must play them to the best of our ability”. Brexit offers us a unique opportunity to step back and look at our situation from a new standpoint. It is an opportunity to assess the challenges faced by 21<sup>st</sup> century consumers, and how we can update, refresh and improve existing consumer protection to ensure that these

challenges are addressed. The ideal scenario is that we get to keep all the best parts of our domestic policy that originate from existing EU regulation, and take this opportunity to strengthen and improve those areas that are weakest.

Brexit also gives us an opportunity to seek new opportunities for engagement and collaborative working – with regulators, government, enforcement agencies, businesses and consumers.

#### *4.2.3 Challenges*

Tom Kiedrowski, from the Cedar Tree Advisory Service (CTAS), acknowledged that this is a particularly challenging time to be having Brexit as we are confronted by changes to the digital single market, access to services and the consumer protection landscape, where there are severe budget cuts to organisations such as Trading Standards.

Until now the UK has had a very influential role in European policy and Mr Kiedrowski said there are concerns that our influence will diminish. Some Congress attendees raised concerns about what would happen if we get no deal and the necessary trade agreements are not put in place. Will there be a “race to the bottom” as we try to sign up to trade deals with third world countries? Will we have to make some sacrifices in the national interest? If other countries don’t want to sell to the UK, could our access to products and services become more limited?

#### *4.2.4 Balanced approach*

Congress accepted that we must take a balanced and realistic view of Brexit. This means looking at the negatives as well as the positives, the risks as well as the opportunities, to ensure that adequate plans are in place to cover the full range of outcomes. As one delegate summarised: ‘we must hope for the best, whilst preparing for the worst’.

### **4.3 Working with government**

As yet, consumers have not been formally invited to take part in Brexit negotiations, but members of Congress unanimously agreed that it is vital that consumer and public interest organisations are allowed to participate actively.

Government needs to understand the importance of the consumer voice and recognise that consumers are essential to the economy and their concerns should be at the heart of Brexit negotiations. Arnold Pindar, NCF Chair, pointed out that it is not enough for consumers to be invited to comment on consultations, but they need to have a seat at the table for key discussions and their views heard and given equal importance to those of other stakeholders.

Congress was encouraged to hear Lord Bridges say that the consumer message had been heard loud and clear. Congress members will hold Lord Bridges to his word and look forward to ongoing discussions and active representation.

Malcolm Harbour highlighted the need for clear channels of communication, saying that it is vital that the consumer movement knows who to talk to. Key messages must be communicated to the right people in the right places. He asked Lord Bridges to pass a message to the British Government that the consumer movement would like contact details of all Brexit leads and specialists in government to ensure effective communication.

Mr Harbour also reiterated the importance of ministers “doing enough spade work in Europe”. Consumers rely on ministers to work in their best interests and Mr Harbour urged ministers to make sure they are present in Brussels for key discussions affecting UK consumers.

#### **4.4 Global consumers in a global economy**

##### *4.4.1 Global consumers*

UK consumers operate in a global economy – purchasing goods and services from Europe and beyond. Jackie Minor highlighted that, regardless of Brexit, our geography will not change and consumers will continue to work, shop and travel cross-border. Congress participants strongly agreed that advances in technology have revolutionised markets and the way that UK consumers interact on the global stage. It is therefore vital that, where possible, the UK continues to participate in European and international standards, market surveillance, sharing of intelligence data, and enforcement and redress schemes, to ensure the safety, quality and consistency of products and services.

##### *4.4.2 Global protections*

Global consumers need global solutions. Anna Glayzer, from Consumers International, urged decision makers to look at the bigger picture. She made the point that Brexit is just a sideshow on the international stage. National policies are only part of the solution and Congress agreed that the UK must avoid looking inwards or adopting a silo approach: it must recognise the need to focus outwards.

There are many large emerging economies and, as we continue to trade and travel globally, the need for global rules and standards will be increasingly important. Following Brexit, the UK will need to make trade deals and economic agreements with these countries. Malcolm Harbour pointed out that we already have some interesting parallels, for example the [TACD](http://tacd.org/)<sup>2</sup>, from which we can learn.

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<sup>2</sup> Trans Atlantic Consumer Dialogue – <http://tacd.org/>

Congress participants emphasised that consumer interests must remain a central focus of these agreements. It is vital that the UK continues to engage at a European and international level. To ensure that the consumer perspective is taken into account, government and regulators must clear a space at the table for consumer organisations now.

To date, the UK has had an influential role on European and international consumer platforms. Congress delegates voiced concerns that this influence may diminish as we approach Brexit. During breakout discussions, Congress participants agreed that to strengthen our position in the global economy and ensure that consumers and businesses continue to benefit from global trade, it is vital that the UK continues to participate in global trade agreements, standards development, and cross-border market surveillance, enforcement and systems of redress. We need an emphasis on cross-border agreements, not only with the countries of Europe but also those outside the EU.

#### **4.5 Legislation and regulation**

Congress participants were encouraged to hear Lord Bridges say that the same rules and laws will apply immediately before and after our departure from the EU to reduce uncertainty for consumers and businesses and ensure continuity of consumer protection. “Our statute book will function properly from the day we leave. Other changes can come later. Maintaining consumer confidence must be a priority as we negotiate exit from EU. We welcome practical detailed suggestions on how to address the challenges we face.” However, realistically, Congress acknowledges that legislation will change at some point in the future and we need to ensure that consumers continue to contribute to this process.

During breakout discussions, Congress delegates agreed that UK legislation concerning consumer rights, human rights, passenger rights (e.g. flight compensation), health rights, product safety, e-commerce, data protection and dispute resolution – have all been strengthened by the implementation of EU Directives in the UK and, wherever possible, these protections should be retained. As and when legislative changes start to take place, we need to ensure that UK consumers continue to benefit from the same level of protections and benefits that they currently enjoy under EU legislation. These levels of protection should certainly not be reduced. This is vital for protecting the interests of both consumers and businesses. If you are a business providing products and services cross-border you’ll want to continue doing that in Europe and internationally. For this to be successful, consistency must be maintained. Domestic policy is a key area, but during breakout sessions Congress delegates questioned how much we need to focus on domestic policy and to what extent we can collaborate in cross- border outputs.

One Congress delegate pointed out that: “Going forward, the UK needs to keep an eye on EU regulations to ensure that new developments are taken into account, and any improvements or strengthening of consumer protection should be incorporated into UK law”. Speakers also recommended that all UK regulatory bodies should have direct consumer representation.

## **4.6 Business and industry**

### *4.6.1 Common interests and goals*

The interests of businesses and consumers do not always coincide, at least in the short term. But it must be acknowledged that they represent the two sides of the economy ‘coin’, and cannot operate without one another. It benefits both businesses and consumers to have a thriving, successful economy and, for this reason, the two parties will share many common interests and goals. Members of Congress recognised the importance of working closely with business to identify these common interests and achieve common objectives that will ultimately benefit all.

### *4.6.2 Nurture UK businesses*

The government must provide an environment where UK industry can thrive, to boost our economy, increase our attractiveness as trade partners in global markets, and offer cost saving and environmental benefits to UK consumers. The NCF believes that understanding and addressing consumer needs successfully has a very significant impact on the competitiveness of a nation’s indigenous companies.

Lord Bridges spoke of the UK’s competition regime, which he said is rightly considered one of the world’s best. However, while a few UK-based companies, like Jaguar Land Rover, achieve great world-class export success,<sup>3</sup> this is not true of all UK companies. The UK ranks 7<sup>th</sup> of 138 countries in overall competitiveness, according to the World Economic Forum’s Global Competitive Index, but we only achieve 19<sup>th</sup> place for ‘customer orientation’<sup>4</sup>. There is significant room for improvement in this and export performance, where the UK ranks 93<sup>rd</sup> in the world.

UK consumers are choosing many overseas products over those manufactured at home and it is essential that UK companies improve their understanding of consumer needs, and the way they address them, if they want to build their success at home and abroad. When this happens, consumers will be more likely to purchase UK products over foreign ones.

The need for increased consumer focus also applies to UK services where foreign companies, like Starbucks and Uber, take a large share of the UK market when UK companies should be capable of competing, and paying a fairer amount of UK tax.

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<sup>3</sup> <https://www.theguardian.com/business/2015/may/26/jaguar-land-rover-britains-biggest-export-success-story>

<sup>4</sup> Global Competitive Index Report 2016-2017

Congress attendees said, that simultaneously to developing new global trade agreements, we must lay the foundations for development of UK businesses, industry and markets. For those businesses already providing products and services across borders it will be important to them to retain the freedom to do so, yet they must also have an adequate framework of regulations and standards in place to support and encourage good business practice. Congress participants warned that businesses should not let Brexit distract them from the basics, which are vital to delivering good business practice.

Good businesses practice means:

- Getting it right first time
- Protecting consumers
- Understanding that good quality reduces business costs and improves competitiveness
- Encouraging, and responding positively, to customer feedback and complaints.

#### *4.6.3 Skilled workers*

Some Congress delegates raised concerns about what might happen to the UK economy if we lose free movement after Brexit. It was recognised that many of our skilled workers come from overseas and their ability to work in the UK may be impacted by a 'hard Brexit'. Congress would like to send a clear message to government to focus on long term planning regarding education and training opportunities and initiatives for UK citizens, so that our economy can be more self-sufficient, should that become necessary to fill the potential skills gap.

#### *4.6.4 Rogue traders*

Congress raised the issue of rogue traders, who can give good businesses a bad name, negatively impact consumer trust and damage markets. They do not follow laws, regulations, standards or codes of practice and simply stonewall when it comes to complaints. In many cases, they evade enforcement. Congress acknowledged that rogue traders will always exist and this is not simply a Brexit issue. However, Brexit could provide an opportunity to improve our ability to deal with these rogue traders and the problems that they create. Failure to address this issue could result in rogue traders benefitting from loopholes and uncertainties as we leave the EU. Hence, any changes to UK regulations should take this issue into account.

### **4.7 Standards solutions**

David Bell of BSI highlighted that standards can provide detailed guidance to businesses on how to meet legislation and achieve good practice. They are a market tool, bringing together communities of experts to develop standards on key issues. Consumers are key stakeholders in the standards process, ensuring that the consumer voice is heard and that the issues facing real people are addressed.

Standards are a passport to trade, but they also deliver key consumer needs, such as inclusivity, accessibility, security, safety, sustainability and quality.

BSI already works with European (CEN/CENELEC) and International (ISO/IEC) standards organisations to ensure that UK experts can contribute to important issues, and that the UK can benefit from European and global standards that harmonize trade and promote consistency. Mr Bell reassured Congress that BSI is committed to remaining part of CEN and CENELEC, which are private rather than governmental organisations, following Brexit.

Congress attendees felt that standards will become an increasingly important tool post-Brexit. Consumers will continue to travel, shop and work cross-border and standards can help to raise the quality of products and services, providing detailed and essential guidance. It is essential that UK consumers continue to participate in the development of European standards, particularly in areas where standards underpin legislation or those that are particularly relevant to the cross-border experience.

Congress participants agreed that robust standards can enhance consumer trust in products and services. And this trust is vital to maintaining consumer confidence.

#### **4.8 Market surveillance and enforcement**

As one Congress delegate said: “regulation without enforcement is tantamount to no regulation”. Congress participants agreed that there is no point having strong regulation in place if there are no mechanisms in place to check if rules are being followed. It is essential that, whatever regulatory system we end up with, this is supported by an effective market surveillance and enforcement system. In breakout discussions, Congress attendees agreed that market surveillance and enforcement bodies need to be able to deal with cross-border contracts, so it is vital that links with European and global partners are maintained.

Congress agreed that this is an area where Brexit could offer opportunities for improvement. Market surveillance and enforcement are vital areas, which have unfortunately been subject to quite drastic budget cuts in recent years. There was unanimous agreement at Congress that funding for Trading Standards needs to be enhanced, not further depleted, so that we can maintain and develop existing trading standards system.

Congress participants suggested that to make the process more efficient and cost effective, the government should explore new and innovative ways of collecting and sharing intelligence data. This should be done at a European or global level to have the most profound impact.

## **4.9 Redress**

### *4.9.1 Complaints*

Effective handling of complaints can help to increase consumer satisfaction and raise consumer confidence in businesses. In his presentation, Angus Hill from Ombudsman Services raised concerns that consumer dissatisfaction and the volume of complaints could rise following Brexit. Evidence suggests that complaints tend to increase, as prices rise and rights change.

Congress participants agreed that it is crucial that businesses, and other organisations that deal with consumer complaints, are prepared for this increase so that they can give consumers the help and support that they need. Standards on complaints handling, such as BS 8543 'Complaint Handling in organizations' and BS ISO 10002 'Quality management. Customer satisfaction. Guidelines for complaints handling in organizations', could offer valuable and detailed guidance to businesses in this area.

In breakout discussions, Congress participants discussed that the benefits of positive redress handling need to be made clear to businesses, as a way of improving products and services, increasing efficiency and reducing costs.

### *4.9.2 Dispute resolution*

The EU Directives on Alternative Dispute Resolution and Online Dispute Resolution offer valuable protection to consumers, who are unable to resolve complaints directly with the suppliers of products and services. It is unknown what will happen to UK legislation on dispute resolution in the wake of Brexit, but Congress speakers agreed that it is vital consumers continue to have access to effective mechanisms of dispute resolution, which offer the same levels of protection, both online and offline, as are currently afforded under EU directives.

Following Brexit, UK citizens will continue to holiday in, and buy products and services from, Europe so they will still need access to effective cross-border complaints resolution services. European Consumer Centres (ECC) currently deal with cross-border complaints in the EU, offering advice and helping to resolve complaints between businesses and consumers. In breakout discussions, Congress participants recognised that these centres are an invaluable resource. They recommended that UK consumers should continue to have access to the ECC. Failing that, the UK government needs to establish an alternative system for resolving cross-border disputes. This should be free, independent and easy to access.

Angus Hill, from Ombudsman Services, highlighted the benefits of the ombudsman model as independent mediators of last stage disputes between consumers and businesses. During breakout discussions, Congress members agreed that ombudsman schemes are effective but should be rationalised to enhance their value to consumers. They concluded that consumers need access to justice and redress

which is affordable, accessible and covers all areas, especially those where consumer detriment is potentially highest. Any mechanisms put in place post-Brexit must ensure that different courts and laws across the UK are taken into account.

#### *4.9.3 Opportunities*

Congress participants pointed out that Brexit could be an opportunity to strengthen redress in areas where it is currently weak. For example, Citizens Advice currently receives most complaints about second hand cars and home improvements, so redress could be strengthened in these areas. There are also opportunities for stronger systems of redress in regulated sectors, plus higher value items in unregulated sectors.

### **4.10 Consumer vulnerability**

#### *4.10.1 Definition of vulnerability*

Congress speakers highlighted the importance of consumer vulnerability and stressed that this must be considered a priority during Brexit discussions. Congress participants urged government to broaden their definition of vulnerability, to recognise that anyone can be vulnerable at any time. Speakers clarified that consumers might be placed in a vulnerable situation for a number of reasons, such as: low literacy, numeracy or financial capability; old age; severe or long term illness; physical disability; mental illness; cognitive decline; poverty; or a change in circumstances (e.g. job loss, bereavement or divorce). Vulnerable consumers may also be those at a disadvantage due to a lack of knowledge and understanding of complex issues, such as the digital and financial services.

Consumer vulnerability can affect an individual's ability to communicate, understand, make decisions or take actions that are in their best interests, either temporarily or permanently. This could have a profound impact on how certain consumers are affected by Brexit, and all forms of consumer vulnerability should be taken into consideration.

#### *4.10.2 Issues of devolution*

Fran Targett, Director of Citizens Advice, Cymru, highlighted that Wales has a high percentage of vulnerable consumers compared to the rest of UK. Mick McAteer, Deputy Chair of the Consumer Council for Northern Ireland, stated that there are also high levels of vulnerable consumers in Northern Ireland, due to its economic position. It has the lowest disposable incomes in the UK and tends to come at the bottom of the tables in terms of deprivation. Being geographically cut off from the UK it also faces challenges to accessing markets, both in terms of jobs and trade. Mr McAteer pointed out that there are significant differences in potential impact, depending on the type of Brexit we have.

A 'hard' Brexit will have a significant effect on transport, communications, energy and prices and access to markets, which will have a hugely detrimental effect on Northern Ireland. The government needs to understand that economic impact and consumer protection go hand in hand. Mick McAteer pointed out that the EU approach to social justice has been good for consumer protection in the UK, and there are concerns that we may lose this following Brexit. He said: "We need to fight hard to maintain social justice approach to maintain adequate protection for vulnerable consumers."

Congress agreed that the Government must pay close attention to issues of devolution when making decisions about Brexit, and consider the impact that certain decisions may have on vulnerable consumers. Variations throughout the UK must be understood and taken into consideration. Areas where there are high numbers of disadvantaged or vulnerable consumers will be in greater need of protection.

## **4.11 Information**

### *4.11.1 Knowledge leads to confidence*

Several speakers emphasised that consumer confidence is crucial to the effective operation of markets, and the UK economy. Effective communication of the right information, to the right people at the right time, is essential to achieving this.

For markets to work well following Brexit, not only do adequate protection mechanisms need to be in place, but the details of those need to be communicated clearly to the relevant people. Simon Ayers, Chief Executive of Trustmark said: "Good education is imperative. Both during and post Brexit there must be a supply of accessible, relevant information." Regulations must be more comprehensible for both businesses and consumers.

Congress agreed that both consumers and businesses must be kept informed throughout the Brexit process to ensure that markets work well afterwards. During Brexit, both parties will need clear information about timelines (what will happen when) and potential impact (likely consequences).

Post-Brexit, businesses need to understand the parameters within which they can operate, their responsibilities and obligations. Consumers need to understand the choices and rights that they have. Everyone should know where to go for additional help and support. Businesses need to understand that they have shared interests with the consumer movement, and that there are win-wins for both. This will help to develop responsible businesses and informed consumers.

During breakout discussions, Congress participants suggested that public information campaigns would be an effective way of disseminating information to wide audiences. The government should consider appropriate messages and how best to deliver these. Other targeted campaigns should be investigated and utilised. For example,

consumers might need specialist advice when it comes to complex products such as technology or financial services.

There could be potential for Citizens Advice, Which?, Trading Standards, BSI and the NCF to carry out education initiatives for consumers and businesses, with the necessary government support. During breakout discussions Congress participants highlighted that there had been cuts to consumer advice services and that these should be reversed if the government wants to make the most of the expertise they can offer. During and post-Brexit consumers and businesses will need advice more than ever before.

#### *4.11.2 Evidence of consumer experience*

The flow of information should not only be one way. In his opening address, Lord Bridges said that the government would “welcome detailed, practical suggestions on how to address the challenges we face. We want to hear your views and the views of your members.”

Fran Targett OBE, Director of Citizens Advice, Cymru, said that consumer organisations need to step up to provide evidence of real consumer experience to Brexit decision-makers. Tom Kiedrowski said: “We have to do our own impact assessments and ensure that consumer voice is at forefront of discussions. It helps to provide an evidence based approach”.

During breakout discussions, Congress members affirmed the need for evidential data to help support calls for change and add weight to the consumer voice. Consumer organisations such as Which?, Citizens Advice and Trading Standards have a wealth of existing research and data about consumer experience, which could help to inform decision makers of the most pressing issues from the consumer perspective.

However, Congress members highlighted the need to work together (**see 4.12.3**) and discussed challenges of capacity and resourcing (**see 4.12.2**).

## **4.12 Consumer representation**

### *4.12.1 Consumer objectives*

Congress participants agreed on the importance of consumer representation in Brexit. To have the most impact members of the consumer movement will work together to develop clear and consistent messages. Working together will save time, money and prevent duplication of work.

### *4.12.2 Capacity and resources*

Consumer and public interest organisations already operate with very limited resources. Members of Congress raised concerns about how consumer organisations would be able to cope with the widespread impacts of Brexit, given their very limited

resources. It is not just about financial resources, although many consumer organisations are non-profit making and have limited budgets with which to carry out their work. There is also an issue around finding the right people to work as volunteer consumer representatives.

The issue of budgets is something that the government can help with. Consumer organisations could also work together on Brexit issues to pool resources, share ideas and tap into expert knowledge. We need to find new ways to communicate with one another, and engage with consumers, to strengthen our position as consumer representatives.

#### *4.12.3 Engagement and collaboration*

Communication between all stakeholders – government, businesses and consumers - needs to be refined and improved. We should look at new ways to engage with one another, perhaps using innovative products and digital forums to streamline the process. A lack of resources has led to reduced capacity – with a limited number of advocates within the consumer movement, without the necessary time or resources to respond to consultations. During the breakout sessions Congress members asked if the consultation process could be modernised or streamlined to maximise input from relevant experts. Could we devise a form of ‘consultation-lite’?

Congress attendees highlighted the importance of building a consumer coalition to strengthen the consumer voice and develop a consistent consumer message on Brexit. They discussed ways to address the challenge of resources. It was suggested that updated and innovative ways of communicating and collaborating – such as digital forums and social media - could help to make the process more efficient and effective.

The wide interest and concerns raised by Brexit offer a unique opportunity for the consumer movement to reinvigorate, refocus and to take back a more central and effective role in consumer protection. Congress participants concluded that we must try to rebuild a network of consumers that can develop views and represent the consumer voice.

## 5. CONCLUSION

As yet, the details of our Brexit deal, and the potential impact on UK consumers and businesses, are unknown. Congress provided a timely opportunity for the consumer movement to come together to raise key issues and demand active participation in Brexit negotiations. Whatever happens, it is inevitable that changes will take place and members of NCF Congress are committed to ensuring that these changes do not have a detrimental effect on consumers, and the UK economy as a whole. To ensure the best of Brexit for consumers, and successful outcomes for all, it is essential that the consumer voice is heard and influential from the very beginning of the process.

Despite Lord Bridges' assurance that domestic policy will not change overnight, it is likely that changes will be implemented later down the line. It is vital that we retain the best bits of consumer protection legislation, and only change those areas where we feel consumer protection can be improved and strengthened. Regardless of politics, our geography will not change. UK consumers will remain part of Europe and continue to travel, shop and work cross-border. For this reason, it is imperative that, following Brexit, the UK government retains effective ways of maintaining quality, safety and ability to facilitate redress cross-border.

The government must recognise that consumer confidence is fragile, yet vital to a successful economy, and invest in a system that nurtures and supports trust. This means clear information to consumers and businesses, safe and fair business practices and easy access to effective mechanisms of redress. Regulation, standards, market surveillance and enforcement all play a vital role in safeguarding consumer safety and delivering quality products and services and fair business practices, which in turn will earn consumer trust and boost consumer confidence.

Collaboration with all key stakeholders, including consumers, from an early stage, will lead to successful outcomes for all. The NCF is committed to an ongoing and fruitful dialogue with other members of the consumer movement, businesses and government. It is vital that representatives of the consumer movement communicate regularly and effectively to establish a clear 'consumer objective' for Brexit. This will help to avoid duplication of effort, and create a single, more powerful consumer voice which can be successful in effecting change.

However, developing a clear consumer objective on Brexit is only part of our task. It is essential that our message gets to the right people at the right time. Congress members urge Government to provide a list of Brexit specialists and leads to ensure that messages are conveyed to the correct people. Having laid out our aims and objectives, we pass the baton to Government and await their response.

## 6. ANNEX 1 – CONGRESS PROGRAMME

10.30	Welcome	Arnold Pindar <i>Chair, NCF</i>
10.40	Opening address	Lord Bridges of Headley MBE <i>Parliamentary Under Secretary of State, DExEU</i>
10.55	Setting the scene	Malcolm Harbour CBE <i>ex-MEP, ex-Chair EU Parliament Internal Market and Consumer Protection (IMCO)</i>
11.10	Standards, Brexit, trade and consumers	David Bell <i>Director of Standards Policy, British Standards Institution (BSI)</i>

### Session One: Brexit and consumer protection

#### Perceived opportunities and challenges for those working in consumer protection

11.25	Panel session: Protecting consumers through legislation, regulation & enforcement	
	- Regulatory perspective	Tom Kiedrowski <i>Managing Director, Cedar Tree Advisory Service (CTAS)</i>
	- Product safety	Martyn Allen <i>Head of Electrotechnical Division, Electrical Safety First</i>
	- Services and consumer confidence	Simon Ayers <i>Chief Executive, TrustMark</i>
	- Ombudsman services	Lewis Shand Smith <i>Chief Ombudsman, Chief Executive, Ombudsman Services</i>
	- Enforcement and market surveillance	Ben Richards <i>Campaigns and Policy Executive, Chartered Trading Standards Institute (CTSI)</i>
	Q & A session	Put your questions to the panel

12.30 Lunch

## Session Two: Impact of Brexit on consumers

### Perceived benefits and risks from the consumer perspective

13.30	International consumer perspective	Anna Glayzer <i>Advocacy Manager, Consumers International</i>
13.40	UK and regional views from key consumer organisations	
	- UK perspective	Sue Davies MBE <i>Chief Policy Adviser, Which?</i>
	- Scottish perspective	Frank Johnstone <i>Partner, Maclay Murray &amp; Spens LLP</i>
	- Welsh perspective	Fran Targett OBE <i>Director, Citizens Advice, Cymru</i>
	- Northern Irish perspective	Mick McAteer <i>Deputy Chair, Consumer Council for Northern Ireland</i>
	- Consumer and public interest in standards	Richard Collin <i>Head of European and National Policy, BSI</i>

## Session Three: Getting the best out of Brexit for consumers

### Proposed solutions for moving forward

14.30	Breakout sessions	
	Parallel group discussions to address the following:	
	a) How can we maintain and enhance consumer protection post-Brexit?	
	b) What are the key consumer messages to communicate to Government?	
15.15	Coffee break	
15.30	Feedback from breakout sessions	
16.00	Conference summary and conclusions	Malcolm Harbour CBE and Jackie Minor
16.30	Close	

## 7. ANNEX 2 – ORGANISATIONS REPRESENTED AT CONGRESS

NCF Congress 2017 was attended by 81 delegates, including many independent consumer consultants, plus representatives from a wide range of organisations:

1. Age UK
2. ANEC – European consumer voice in standardisation
3. Antelope Consulting
4. British Hallmarking Council
5. British Standards Institute (BSI)
6. BSI – Consumer & Public Interest Network
7. Bucks and Surrey Trading Standards
8. Cedar Tree Advisory Service
9. Chambers of Edmond McGovern
10. Chartered Trading Standards Institute
11. Citizens Advice
12. Citizens Advice Cymru
13. Consumer Council
14. Consumer Council for Northern Ireland
15. Consumer Risk Limited
16. Consumers International
17. Diversity Marketing Solutions
18. Effingham Parish Council
19. Electrical Safety First
20. European Guide Dog Federation
21. European Policy Centre
22. Financial Services Consumer Panel
23. Foundations
24. HM Government
25. HolidayTravelWatch
26. House of Lords
27. IFIA - The International Federation of Inspection Agencies
28. Keep Me Posted
29. Maclay, Murray & Spens LLP
30. Middlesex University
31. National Carpet Cleaners Association
32. National Consumer Federation (NCF)
33. Ombudsman Services
34. Peter Grover Enterprises
35. Plymouth Consumer Group
36. Referenceline
37. TrustMark
38. University of Durham
39. University of Plymouth
40. VVA Europe
41. Which?