



OFFICE OF FAIR TRADING

Field House, 15-25 Breems Buildings, London EC4A 1PR
Switchboard 0171-211 8000, Direct Line 0171-211 8815, Fax 0171-211 8800

Mr John Donovan
Managing Director
Don Marketing UK Ltd
St. Andrews Castle
33 St. Andrews Street South
Bury St. Edmunds IP33 3PH

Your Ref JAD/A131

Our Ref CA/2435

Date 1 July 1998

Dear Mr Donovan

Thank you for your letter and enclosures of 5 May addressed to the Prime Minister. A Copy of your letter has been passed to this Office for a reply.

The Office of Fair Trading has been involved in raising standards of business since its inception almost 25 years ago. Under section 124 (3) of the Fair Trading Act 1993 the Director General of Fair Trading has a duty to encourage trade associations to introduce voluntary codes of practice for guidance in safeguarding and promoting the interests of consumers in the United Kingdom. The Director General has in the past supported a number of codes that conformed to set guidelines of best practice. Our experience of these shows that while some of them have been effective, in practice very few codes actually meet the requisite standards of best practice and our original expectations. Problems include poor enforcement of codes by associations, particularly in monitoring adherence and compliance, and lack of consumer confidence in redress and disciplinary procedures. Accordingly we believe a new initiative is now necessary to achieve the valuable and still highly relevant objectives which lie behind trade association codes.

Earlier this year we published a report "Raising Standards of Consumer Care: Progressing beyond codes of practice". The report contains some radical and far reaching proposals for a new approach to raising standards for consumers. I enclose a copy which I hope you find interesting. Our aim is to establish the degree of consensus for this new initiative to go forward. The climate is right for change and we can only wait and see if others share our thinking for the future. If we are wrong, we will have to consider more formal regulatory measures, such as statutory backing for codes.

I hope you find this information helpful.

Yours sincerely

Mary O'Driscoll (Miss)
Consumer Affairs Division