

WEST DUNBARTONSHIRE COUNCIL

Report by the Executive Director of Corporate Services

Corporate & Efficient Governance Committee: 25 August 2010

Subject: Statutory Performance Indicator for Consumer Complaints

1. Purpose

- 1.1** The Chief Executive submitted a report to the Audit and Performance Review committee on 7 April 2010 which noted that two of the council's statutory performance indicators had fallen into the bottom quartile in 2008/09.
- 1.2** One of those indicators measures Trading Standards' performance with respect to consumer complaints. The committee asked that more information about this indicator be supplied to the service committee.

2. Background

- 2.1** Audit Scotland requires that the council measures the percentage of consumer complaints which are completed within 14 days. A 'consumer complaint' is a complaint by a private individual who alleges that a trader has contravened consumer protection laws.
- 2.2** When Trading Standards provides simple self-help advice to consumers the complaint is normally completed in one day. However where self-help advice does not or cannot resolve the dispute, Trading Standards is able to investigate the facts and this may take time to complete. For example, it may take days or weeks to get a response from the trader especially if they are not local. Investigations often involve negotiation backwards and forwards between the parties in dispute to establish the facts and arrive at a fair resolution.
- 2.3** Disputes about home improvements are often particularly complex but they can result in large financial gains for individual consumers of hundreds or even thousands of pounds usually in the form of replacement goods or free repairs. A conservative estimate of the value of the redress won for consumers in West Dunbartonshire in 2009/10 is £89,600.
- 2.4** Trading Standards investigates complaints in accordance with a consumer advice and education policy agreed by the Community Safety & Environmental Services committee in 2003. The information gleaned from consumer complaints about local trading practices enables Trading Standards to target criminal and civil enforcement activity where it is most needed. In contrast, inspections of businesses are a relatively inefficient and ineffective way to measure compliance.

- 2.5** In May 2006 the Community Safety and Environmental Services committee agreed that all phone calls from consumers seeking advice should be redirected to the government-funded Consumer Direct Scotland (CDS) call centre. This released Trading Standards staff to concentrate on the more complex investigations which CDS cannot deal with. However, as predicted, it led to a sharp decrease in apparent performance as our complaint caseload included a higher proportion of time-consuming investigations.
- 2.6** The council's protocol with Consumer Direct Scotland states that the council will "intervene in all cases where we believe the consumer may have a justified complaint but is unable to resolve the matter without intervention".
- 2.7** It can be argued that there is a greater need for Trading Standards to support consumers in West Dunbartonshire compared to more affluent areas. Vulnerable consumers can be specifically targeted by rogue traders. The financial loss caused by substandard goods and services is a higher proportion of disposable income than for more affluent consumers. The area tends to attract a higher percentage of 'low cost' retailers selling poorer quality goods. Price transparency of basic household items, including food, is vital for those on low incomes. Secondhand goods, or low cost goods, which are attractive to those on low incomes may present a higher safety risk. These factors all lead to a greater need for an interventionist approach by the adviser in addition to rigorous enforcement activities.
- 2.8** Officers have written annually to Audit Scotland to point out that this is a flawed performance indicator. Self-help advice and complaint investigation have different characteristics and so should not be included within a single indicator. It measures quantity, not quality or outcomes, and takes no account of background information. 'Performance' can vary from council to council due to the extent to which each council intervenes in complex disputes. A council which limits the level of support offered to consumers could appear to perform better than those which do more to resolve disputes. The outturn is influenced by the percentage of simple advice calls which the council diverts to Consumer Direct Scotland.

3. Main Issues

- 3.1** Until 2004/05 Trading Standards normally completed between 75% and 80% of complaints within 14 days. The outturn decreased to 72.8% in 2004/05, probably related to the launch of Consumer Direct Scotland in July 2004. It is likely that some consumers phoned CDS direct instead of the council resulting in fewer advice-only complaints, and CDS started to refer complex complaints back to the council. The small decrease in 2005/06 to 68.6% was probably because that was the first full year following the launch of CDS. There was a sharp drop in 2006/07 to 60.1% after we began diverting phone calls to CDS because this led to a reduction in the number of simple advice-only complaints.
- 3.2** Since 2006/07 the outturn has been steadily improving as we have placed ever greater priority on completing complaints promptly. The report to the

Audit & Performance Review committee shows that we achieved 65.2% in 2008/09. Since that report, unaudited data for 2009/10 shows a further improvement to 68.9% and we are now regularly achieving over 70% in some months. Our target for 2010/11 is 72%.

- 3.3** Although performance has been steadily improving, our relative ranking amongst the 32 local authorities shows that West Dunbartonshire is amongst the poorer performers. We were 24th in 2006/07, rising to 21st in 2007/08 and falling back to 25th in 2008/09.
- 3.4** In contrast, West Dunbartonshire was one of only five councils to complete 100% of Trading Standards business advice requests within 14 days in 2008/09. This might imply that the poor performance with respect to complaints is not due to any systemic performance management issue in Trading Standards.
- 3.5** 95.1% of consumers in 2009/10 said they were satisfied with the service they received from Trading Standards. Comments show the extent to which the service is valued by customers.
- 3.6** This year Trading Standards will be actively encouraging consumers do more to help themselves before the council will agree to investigate their complaint. However it is impossible to predict the overall impact which this will have on the statutory performance indicator.

Action Plan

- 3.7** A detailed action plan was created in May 2007, updated in September 2009 and further revised in April 2010 with the aim of achieving continuous improvement in this indicator. Actions include:
 - 1. Prioritising complaints which have not reached the 14 day target
 - 2. Advice to officers to help them manage their caseload
 - 3. Adjusting the start and finish dates for complaints in line with Audit Scotland guidance
 - 4. Improving administrative processes to minimise the amount of wasted time when the complaint cannot be progressed
 - 5. Improved monitoring by managers
 - 6. Greater emphasis on providing self-help advice

Benchmarking

- 3.8** In 2009/10 Trading Standards benchmarked its performance and processes against seven other councils. Partners were chosen either because their performance was consistently higher than ours (Dundee, Midlothian), or because their performance had improved by over 5% in three years (Edinburgh, North Ayrshire, North Lanarkshire, South Lanarkshire and West Lothian). Councils known to provide a lower quality of service, or known to divert fewer phone calls to Consumer Direct were excluded to ensure the comparison was valid.

3.9 We asked those authorities that had improved how they had achieved it, and we examined their processes for handling consumer complaints. However this revealed little that we don't do already. A comparison of key statistics about the services did not reveal any particular factors which result in good performance other than the known link with the percentage of phone calls diverted to Consumer Direct.

3.10 Some good practice was identified and will be implemented such as generating an automatic computer message to officers when a complaint has been active for ten days. We will explore options to ensure that officers can start investigating more complaints on the day of receipt. We are encouraging officers to make even greater use of the phone or email when contacting traders in preference to letters.

4. People Implications

4.1 No personnel issues.

5. Financial Implications

5.1 No financial implications.

6. Risk Analysis

6.1 No risk analysis required.

7. Equalities Impact

7.1 This report does not involve new or significantly changing policies or services so an equalities impact assessment is not required.

8. Conclusions and Recommendations

8.1 The committee is asked to note and endorse the efforts which Trading Standards is making to continuously improve performance against this indicator.

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Appendices: None

Background Papers: *Consumer advice and education policy*, report to Community Safety & Environmental Services committee, 3 September 2003

Diversion of telephone calls to Consumer Direct Scotland, report to Community Safety & Environmental Services committee, 3 May 2006

Statutory Performance Indicators – 08/09 Benchmarking, report to Audit & Performance Review committee, 7 April 2010

Performance Indicators Guide 2010/11, Audit Scotland

Trading Standards Referral Protocol, Consumer Direct Scotland

Report on Trading Standards benchmarking exercise carried out in 2009/10

Trading Standards customer satisfaction surveys 2009/10

Consumer complaints completed in 14 days: Action plan, revised April 2010

Wards Affected: All