

WEST DUNBARTONSHIRE COUNCIL

Report by the Director of Housing, Regeneration and Environmental Services

Community Safety and Environmental Services Committee : 3 May 2006

Subject: Diversion of telephone calls to Consumer Direct Scotland

1. Purpose

1.1 To seek Committee approval to divert telephone calls for consumer advice to the Consumer Direct Scotland call centre.

2. Background

2.1 In the first nine months of 2005/2006 Trading Standards in West Dunbartonshire dealt with 959 complaints from consumers about businesses. These included complaints about faulty goods, substandard services, delays in getting faults put right, misleading adverts, and scams. The help provided by Trading Standards ranged from simple legal advice to active negotiation between consumers and businesses to resolve disputes. The total value of goods and services was in excess of £1.5 million and Trading Standards negotiated compensation for consumers valued at £30,313. The specialist advice provided by Trading Standards complements the generalist advice provided by the Citizens Advice Bureau.

2.2 The level of support provided by the Trading Standards to consumers in West Dunbartonshire is linked to the area's high levels of deprivation and social exclusion. These factors result in a greater need for free consumer advice services for the following reasons:-

- vulnerable consumers can be specifically targeted by rogue traders who see them as easy prey;
- 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 sometimes selling lower quality goods;
- clear pricing of basic household items, including food, is vital for those on low incomes; and
- secondhand goods, or low cost goods, which are attractive to those on low incomes may present a higher safety risk.

2.3 In its White Paper entitled 'Modern Markets: Confident Consumers', the government expressed concerns that whilst some local authority Trading Standards services provide a comprehensive consumer advice service, others did not. Their solution to this 'postcode lottery' was to create a network of government-funded Consumer Direct call centres. Consumer Direct Scotland (CDS) was the first to open in the UK in July 2004 and is based at Siabost on the Isle of Lewis. It is a partnership between the Department of Trade and Industry (DTI), Comhairle nan Eilean Siar and TSC, a private call centre operator.

2.4 CDS provides 'first-tier' consumer advice over the telephone, however it does not provide any active assistance in complaint resolution by way of negotiation in disputes between consumers and businesses. Instead, any consumer who requires active assistance will be referred to the consumer's local Trading Standards service so that their complaint can be investigated. The DTI estimates that such referrals will comprise around 20% of all cases handled by CDS.

3. Main Issues

3.1 In addition to CDS meeting unmet demand for consumer advice via its well-publicised 0845 number, in 2004 the DTI asked all Councils to divert their existing telephone calls for consumer advice to CDS so that CDS could become the main provider of first tier specialist consumer advice.

3.2 After careful consideration, Trading Standards in West Dunbartonshire chose not to divert its consumer advice calls to CDS in 2004. In part this was because, as a brand new operation, there was a real risk that teething problems with the new call centre method of providing advice would result in a disruption of service to West Dunbartonshire's consumers. However, over the last two years CDS has proved itself to be an accessible call centre and there is therefore a need to re-assess the issue of call diversion.

3.3 The advantages of call diversion are as follows:-

- The Council officers would spend less time dealing with simple advice calls and more time handling complex cases. This would be a more efficient use of their time.
- All consumer cases originating in West Dunbartonshire would be recorded on the national Consumer Direct database so improving the central recording of intelligence about consumers' complaints.
- There is a possibility that time could be freed up to develop more consumer education, outreach and enforcement programmes.

- 3.4** However it should be noted that the experience of the majority of Councils which have diverted calls is that the time saved by not having to deal with simple calls is more than offset by the time taken to handle the smaller number of complex cases referred to them. Indeed the DTI anticipated that demand for local authority services could increase when they initiated the Consumer Direct programme.
- 3.5** The disadvantages of call diversion are as follows:-
- Callers will not be able to speak to an adviser with local knowledge of the business about which they are complaining.
 - As noted above, CDS refers complex cases and vulnerable consumers back to the Trading Standards Section for in-depth assistance and they estimate this will comprise about 20% of all calls. However West Dunbartonshire's own data shows that in the five years preceding the launch of CDS, Trading Standards needed to provide active assistance to between 29.2% and 39.0% of callers each year.
 - A national call centre may not be able to meet the specific needs of disadvantaged consumers in West Dunbartonshire.
- 3.6** Research carried out locally in 2002 had shown that deprivation impacts on consumers in two ways: firstly, a lack of personal confidence in explaining their problem and, secondly, a sense of apathy leading to people giving up easily. Therefore, whilst self-help advice can empower consumers to resolve their own problems, in many cases it needs to be underpinned by the ability of Trading Standards to investigate the facts and negotiate a fair outcome for all concerned.
- 3.7** Overall the advantage of call diversion appear to outweigh the disadvantages. Call diversion would only affect those who seek advice over the phone. Local advisers would still deal with those who prefer to visit the Trading Standards office for advice. Consumers who telephone Trading Standards for advice would be passed through to CDS seamlessly and the caller would be charged at a Lo-call rate. Trading Standards would monitor the number of referrals received compared to historical data and the quality of advice given by CDS advisers.
- 3.8** The availability of CDS to consumers has already resulted in increased workload for Trading Standards which has received about 10% fewer simple advice calls and a corresponding increase in complex cases. This has led to an apparent decrease in our outturn for the statutory performance indicator which measures the percentage of consumer complaints resolved within 14 days. Call diversion may result in a further reduction in that outturn.

4. Personnel Issues

- 4.1** Call diversion may result in increased workload for Trading Standards' advisers or it may release time to develop more consumer education, outreach and enforcement programmes. The effect will be evaluated.

5. Financial Implications

- 5.1** There are no financial implications.

6. Conclusions

- 6.1** It is concluded that it would now be considered appropriate to recommend to the Committee that telephone calls to Trading Standards seeking advice should be diverted to Consumer Direct Scotland.

7. Recommendations

- 7.1** **The Committee is invited to agree to Trading Standards diverting calls for consumer advice to Consumer Direct Scotland.**

David McMillan

Director of Housing, Regeneration and Environmental Services

Date: 24 April 2006

Wards Affected: All

Background Papers: West Dunbartonshire Consumer Research Report (Glasgow Caledonian University, 2002)
Modern Markets: Confident Consumers (DTI, July 1999)
www.consumerdirect.gov.uk

Person to Contact: Graham Pollock - Environmental Services Manager
Rosebery Place, Clydebank G81 1TG
Phone no. 01389 738593
graham.pollock@west-dunbarton.gov.uk

David McCulloch – Section Head (Trading Standards)
Rosebery Place, Clydebank G81 1TG
Phone no. 01389 738286
david.mcculloch@west-dunbarton.gov.uk