

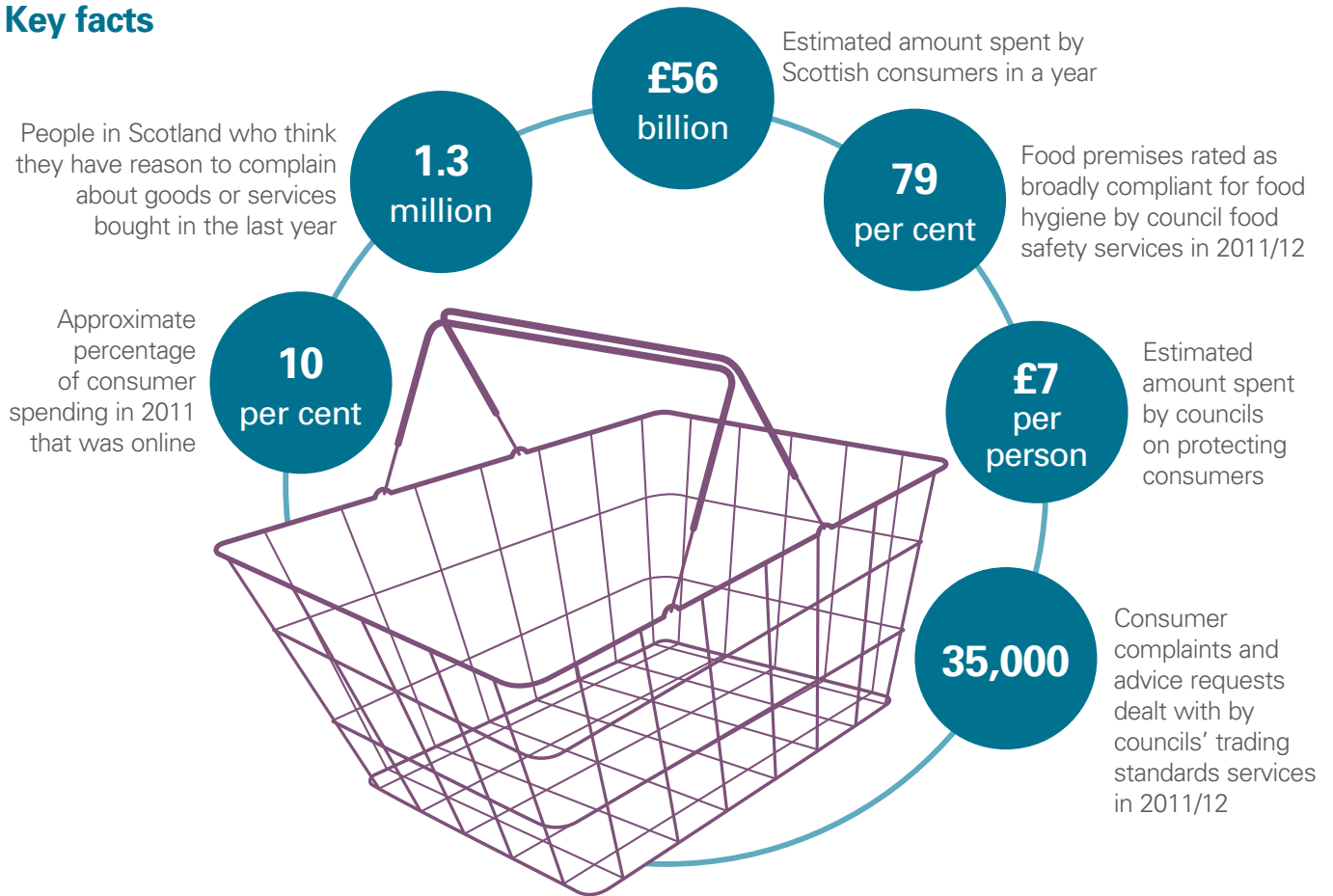
Key messages

Protecting consumers

Prepared for the Accounts Commission
January 2013



Key facts



What's this report about?

We all expect what we buy to be safe and sold fairly and honestly. Councils work to protect us from unfair or unsafe trading when we buy goods and services. They do this through their trading standards and food safety services. Our report looks at the work of these services.

Consumers can face serious risks when they buy goods and services

- Scottish councils consider the main risks facing consumers to be:
 - food contamination – which can result in serious illness or even death
 - scams – where consumers are misled into paying for goods or services that either do not meet their expectations or do not exist
 - doorstep crime – where consumers are misled or pressured into buying something by someone who calls at their door uninvited
 - Internet fraud – online shopping trebled between 2007 and 2011 but consumers may be unaware of their rights and private sellers unaware of their obligations.

- Changes in consumers' and businesses' behaviour due to the current economic climate have increased some risks as consumers seek lower prices and businesses seek to reduce their costs.

The long-term viability of councils' trading standards services is under threat

- Councils' trading standards services are small compared to other council services, spending around £21 million a year, or less than 0.2 per cent of councils' budgets. They have a low profile among councillors and senior managers and have experienced greater than average staff reductions in the last four years (15 per cent compared to an average of ten per cent for all council staff). Staff reductions in food safety services, which spend an estimated £13 million, have been less severe but there are concerns about loss of experience and expertise, and too few trainee posts, in both services (see [paragraphs 36-37](#) in the main report).
- Trading standards services with eight staff or fewer have insufficient flexibility to deliver a full range of services. Nearly half (15 of 32) of councils now have eight or fewer trading standards staff, compared with ten in 2002. Urgent action is needed to strengthen protection for consumers (see [paragraphs 38-40](#) and [paragraph 48](#) in the main report).

Councils are targeting their resources at the highest risk areas and reducing work on the lowest risks

- Inspections and other work with the highest risk businesses have been maintained, while enforcement activity with lower risk businesses has been reduced (see [paragraphs 50-52](#) in the main report).
- Targeting resources at high-risk businesses relies on good intelligence. But councils' trading standards services do not assess risks on a consistent basis, and a reduction in consumer advice and support means that, in some areas, councils have weakened their ability to gather local intelligence about risks to consumers (see [paragraphs 58-59](#) in the main report).
- The reduction in consumer advice and support means that some consumers may not get the help they need when things go wrong. Nearly a quarter of the Scottish population now live in areas where they will not necessarily receive support for civil matters from councils' trading standards services. In addition, many consumers are not aware of where to seek help, and for some types of problem, over a third do not know who to contact (see [paragraphs 61-71](#) in the main report).

Trading standards services lack national standards and priorities and have no national system of performance reporting

- The Food Standards Agency in Scotland has supported the development of national standards and priorities and a reporting framework for councils' food safety services. It also audits and publishes information on councils' performance (see [paragraphs 15-16 and 75-79](#) in the main report).
- In contrast, there is no longer a national system of performance reporting for trading standards services and individual councils have adopted their own approaches. This lack of consistency makes it difficult for councils to benchmark their performance and demonstrate that services are being delivered efficiently and effectively. The absence of national standards and priorities results in variations in how different councils regulate businesses (see [paragraphs 17-21 and 80-83](#) in the main report).
- Current changes to the organisation of trading standards services at the UK level present the Convention of Scottish Local Authorities and councils with an opportunity to ensure strong national coordination in Scotland and improve these services by organising them more effectively (see [paragraphs 22-25](#) in the main report).

Key recommendations

The Convention of Scottish Local Authorities and councils should:

- work together to ensure strong national coordination for trading standards in Scotland that includes:
 - maintaining effective links with UK-wide arrangements
 - analysing intelligence to identify national risks
 - agreeing national priorities
 - developing national service standards
 - establishing a system for scrutinising and publicly reporting councils' performance against these standards
- in developing arrangements for national coordination, explore a full range of options for redesigning trading standards services, including:
 - greater use of more formal joint working
 - creating fully shared services
 - establishing a national service
- liaise with the Scottish Government on the future of trading standards services where this involves organisational or service issues for which it has responsibility
- develop workforce strategies, which identify the staffing levels and skills required to sustain effective consumer protection services over the next 5–10 years
- work with Citizens Advice Scotland and others to increase awareness and understanding among consumers of where they can get advice and help.

What happens now?

The full report can be accessed on our website – www.audit-scotland.gov.uk. The Accounts Commission is keen to see the issues raised in this audit further discussed by the general public and a wide range of public bodies and interested parties.

We will also monitor progress against our recommendations through our audit work.

Key messages

Protecting consumers

If you would like to find out more on this topic, you can download a copy of the full report from our website or contact our report team at info@audit-scotland.gov.uk

www.audit-scotland.gov.uk

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