

Hard copies of documents supplied by the New NCC in support of this application can be obtained from Marie Cawley, Consumer and Competition Policy Directorate, BERR. Tel: 020 7215 6771, or e-mail: marie.cawley@berr.gsi.gov.uk

New NCC

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05th June 2008

Marie Cawley

Consumer and Competition Policy Directorate

Bay 417, 1 Victoria Street

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Dear Ms Cawley

RE: New National Consumer Council designation as super-complainant

I am writing on behalf of the New National Consumer Council (New NCC) to apply for designation as a super-complainant under section 11 of the Enterprise Act 2002 (the Act). This application covers the new Scottish Consumer Council (SCC), Welsh Consumer Council (WCC), and NI Postal Services Committee (NIPSC) which are territorial committees of the New NCC, covering our operations in Scotland and Wales and Northern Ireland.

The New NCC is a new consumer body for Britain. Through a merger of three sister organisations - energywatch, existing National Consumer Council (including the Scottish and Welsh Consumer Councils) and Postwatch - the New NCC will be launched on 1st October 2008 to champion the interests of consumers across England, Wales, Scotland and, for post, Northern Ireland from 1st October 2008.

The work of the new organisation over time is likely to touch the lives of everyone. Building on work and foundations of energywatch, Postwatch and the existing National Consumer Council, we will develop a stronger, more coherent advocacy body, able to

address consumer issues across different industries and undertake cross-sectoral work in a cost-effective way.

In particular, the new organisation will have a clear commitment to people who are vulnerable, reflecting the particular needs of those who are exposed to multiple deprivation and vulnerable at a time of food and fuel price rises, economic uncertainty and social change.

We also have a welcome duty to work on issues of sustainable development. This reflects the key role that the shift to more sustainable lifestyles is likely to play in a future, low-carbon economy and opening up the opportunity for us to contribute to this agenda both a consumer focus and an interest in solutions that work, in distributional terms, for vulnerable consumers.

I believe that New NCC satisfies your requirements, and noting we will bring together and draw upon expertise and experience from the predecessor bodies who themselves are designated super-complainants. The following information provides evidence in support of this and addresses the additional criterion as set by the Secretary of State.

Criterion 1

The body is so constituted, managed and controlled as to be expected to act independently, impartially and with complete integrity

The New NCC is a statutory organisation established by the Consumers, Estate Agents and Redress Act 2007 as part of a wider body of change under the 'Consumer Voice' programme by the Department for Business Enterprise and Regulatory Reform (BERR). It is an executive Non-Departmental Public Body of BERR.

New NCC board members are appointed by the Secretary of State for BERR in accordance with the OCPA Code of Practice for Public Appointments Procedures. The Scottish and Welsh Consumer Councils (SCC and WCC and NIPSC) are committees of the New NCC Board.

The NCC shall receive funding through:

- Grant-in-aid from BERR;
- Contributions from designated markets in energy and postal services;
- Remits from regional governments and other government departments for particular projects;
- Other sources of funding (e.g. charitable trusts); and

- Sales of publications.

We have set a vision and mission for the new organisation in a High-Level Strategic Framework for our work from 2008-2011. These are:

Vision – more power to the people

We believe that people are the best judge of their own needs and that Britain will be more successful if consumers, particularly those that are currently more vulnerable, have more of a voice in relation to the goods and services they receive.

We believe that it is not just the economy but society that benefits if consumers have stronger rights. If given the right chance, consumers will play their part in response to the claims of fairness and sustainability.

Mission – fair deals and fair chances

We will make a difference to people's lives as consumers, particularly those that are more vulnerable, by championing policy changes through advocacy that can help to make people across the country as powerful as the institutions that serve them.

We will engage, inform and support consumers to act and take action ourselves where they cannot.

We have also set four **strategic goals** for our work over the period up to 2011. These are:

1. **Value.** Help people get better value by raising the influence they have over the goods and services they receive.
2. **Service.** Improve customer service and cut the high level of unnecessary problems that generate complaints from consumers.
3. **Access.** Create an economy in which everyone can access the essential services they need and the poor no longer pay more or get less for their money as consumers.
4. **Sustainability.** Harness the appetite of consumers to move to more sustainable lifestyles.

There are things that we will not do, that fall out of these strategic objectives. We will not set ourselves up as an advice service for the public at large. We will not engage in

business services to consumers. We will not duplicate work that is better done elsewhere.

We see ourselves as a critical friend of business and public service providers, not as an opponent. We want providers to innovate to compete and to flourish where they serve consumers well. We will work in partnership within an appropriate ethical framework, where we believe this is the right way to our strategic goals.

There are three primary functions of the new organisation: consumer intelligence; consumer advocacy; and consumer impact.

In order to satisfy the criterion 1 as set out in the guidance, we attach Annex 1 the following information:

- Extract of the Consumers, Estate Agents and Redress Act 2007 which establishes the New NCC and sets out our duties and powers;
- Our High-level Strategic Framework;
- List of the New NCC board members with CVs;
- The CV of the principal officer, and the draft outline organisational design for the prospective executive team (subject to BERR Secretary of State approval);

This last point notes that the new organisation only vests on 1st October 2008, and so some information will only be forthcoming later on, notably audited accounts. The role of the start-up team in processing the application is to ensure super-complainant status is maintained when the existing NCC is replaced by the New NCC.

Criterion 2

The body can demonstrate considerable experience and competence in representing the interests of consumers of any description;

And

Criterion 3

The body has the capability to put together reasoned super-complaints on a range of issues

The predecessor bodies – existing NCC, energywatch and Postwatch - have a long-standing record of achievements on behalf of consumers. They have led campaigns, undertaken research, produced policy and lobbied on a wide-range of issues, since 1975 in the case of the existing NCC and 2000 for energywatch and Postwatch.

The New NCC will draw upon this rich platform, employing lawyers, economists, as well as consumer protection policy advisors and campaigners and complaint handlers per se. We shall build on recognised expertise particularly in the areas of energy and post; public services; EU policy; financial services; credit and debt; sustainable consumption; food; and health.

For this very reason, all 3 bodies are already designated super-complainants.

Noteworthy achievements in championing consumers for these organisations on super-complaint referrals is summarised below. Full details detailed are contained in Annex 2:

- “Bad billing: the costs, better billing: the benefits” (energywatch, March 2005);
- “Home credit: an investigation of the home credit market” (NCC, June 2004); and
- “The operation of the UK market in the consolidation of mail” (Postwatch, March 2003).

Taken together the aggregated impact of these activities was to help protect the most vulnerable members of society against fuel poverty, bad debt, and poor postal service. The New NCC will be well placed to handle future super-complaints noting its emphasis on multiple-deprivation across-sectors.

Criterion 4

The body is ready and willing to co-operate with the Office of Fair Trading (OFT), and/or with any other authority, body or person having responsibility for responding to super-complaints. In particular, the body agrees to take account of any guidance issued by the OFT.

We confirm that New NCC is ready and willing to co-operate with the OFT and any other authority, body or person having responsibility for responding to super-complaints. We agree to take full account of any guidance issued by the OFT.

Going forward the New NCC and OFT will be strong collaborators per se on consumer advocacy. Noting the wider changes to be overseen by BERR under the Consumer Voice Programme, this includes a memorandum of understanding as how we work together with Consumer Direct on first tier complaint handling.

Criterion 5

The fact that a body has a trading arm will not disqualify it from being designated provided that the trading arm does not control the body, and any profits of the trading arm are only used to further the stated objectives of the body and the body has established procedures to ensure that any potential conflicts of interest are properly dealt with.

NCC Services Ltd is the existing NCC's trading arm. Should it transfer to the New NCC any profits from the trading arm in the future will only be used to further the stated objectives of the body and we confirm that body shall establish procedures pre vesting to ensure that any potential conflicts of interest are properly deal with.

The New NCC formally undertake to notify the BERR Secretary of State of any material changes to the information supplied which could be relevant to meeting of any criteria.

Finally, I believe that New NCC fully meets the Secretary of State's requirements under section 11 of the Enterprise Act 2002 (the Act) and we look forward achieving the best for consumers with the additional benefits that designation as a super-complainant will bring.

Yours sincerely



Ed Mayo

Chief Executive

ANNEXES

Annex 1:

1.1 Extract of the Consumers, Estate Agents and Redress Act 2007 which establishes the New NCC and sets out our duties and powers;

1.2 Our High-level Strategic Framework;

1.3 List of the New NCC board members with CVs; and

1.4 The CV of the principal officer, and the outline organisational design for the prospective executive team.

Annex 2:

2.1 "Bad billing: the costs, better billing: the benefits" (energywatch, March 2005);

2.2 "Home credit: an investigation of the home credit market" (NCC, June 2004); and

2.3 "The operation of the UK market in the consolidation of mail" (Postwatch, March 2003).