

# CONSUMER NEWS UPDATE

FROM THE NATIONAL  
CONSUMER FEDERATION

**MAY 2005**

## **Marathon entries are a trading commodity!**

It may sound odd but, if you think about it, an entry in the London Marathon and, presumably, any other first-rate Marathon, is a valuable commodity for a charity, if it can put someone in that entry who will attract lots of sponsorship. Nevertheless I was surprised to learn of the existence of Golden Bonds. The Marathon organisers introduced these in 1993 when charities could purchase them for £1,250 and it seems that plenty did so, as each bond entitles the charity to five entries in the event for five years.

Only 2,400 bonds exist and holders can renew them. Some charities hold a number of bonds and there are more than 500 on the closed waiting list. The event is always hugely oversubscribed and charities with no Golden Bonds have difficulty in obtaining entries, thus missing out on possibly the best fund-raising activity of the whole year.

So what do they do? Of course they buy bonds from other charities! *Third Sector*, the weekly charity sector magazine, tells the tale of a charity that bought a bond for £3,000 from another much bigger one to enable it to have five runners. They expect each runner to raise more than £1,000, so it makes financial sense.

David Bedford, the organiser of the London Marathon, is quoted in the magazine as saying that he was not aware that bonds were being sold on the black market but thought the activity was just another form of fund-raising. He said, "We are proud of the Golden Bond scheme, which has allowed the marathon to become the biggest annual fund raising event in the world".

There is a call from a number of charities for the organisers to introduce a fairer system of allocating bonds. One suggestion is that charities with hundreds of bonds should be made to surrender at least some of them to those on the waiting list.

## **Wristbands Scam**

There seems to be no end to the scams that are perpetrated on unsuspecting people. A recent one, identified by *Third Sector*, concerns those anti-racist wrist bands sold by Nike for £1.50, which are being sold for £8.99 on line, with no way for purchasers to check whether the money is going to charity.

Beat Bullying wristbands, given away free by Radio One, have changed hands for £18!

The head of fundraising at Breast Cancer Care, Marcus O'Shea, has criticised the voluntary sector for letting the conmen get away with these scams.

## **Tip-off over National Insurance**

The Inland Revenue has decided that waiters no longer have to pay national insurance on the tips they receive from grateful diners, and even from those who pay up grudgingly.

For the latter there is the consideration that they can justify reducing the tip by the appropriate amount, which I believe is 11%.

## **Alternative Dispute Resolution**

In the spring issue of our *Consumer News* there is an article by Anne Thomas about the Civil Justice Service and Alternative Dispute Resolution (ADR), particularly Mediation. Our Legislation Committee would like to find out more about the situation. Is it as bad as Anne Thomas suggests?

The Committee asks whether Groups would carry out an investigation into the availability and success, or otherwise, of ADR in their area and let it know the findings? Also if you have had any experience of ADR yourself, good or bad, which you would like to share with the Committee, please let Stella Nicholas know.

## **Frigid calling**

I feel sorry for those people who phone up at random to try to sell you something. It must be a soul-destroying job. On the other hand the calls are an infernal nuisance.

One way of avoiding them is to go ex-directory. However this does not always work as intended because you have to tell some people what your phone number is.

It is not unknown for such information to get into the hands of cold calling operators. I suspect also that direct marketing companies just ring every number combination in a block of numbers, in the hope of reaching as many customers as possible.

The best solution is to sign up with the Telephone Preference Service by dialling 0845 070 0707. This does reduce the number of calls but does not eliminate them altogether as some companies just ignore the TPS and ring all numbers regardless. Also, you cannot be selective about which calls you are prepared to receive

A *Guardian* reader pointed out that if you do not mind being without your phone for an hour, or perhaps all day, you just fail to hang up after receiving a cold call. It seems that cold callers cannot sever the connection if you don't, which could be inconvenient and expensive for them. I have not tried it yet.

### **Is your mobile phone poorly?**

A radio news item towards the end of April may herald a real problem for mobile phone users. The first mobile phone viruses have been identified. So far they have been created by hobby code-writers to see if it could be done and seemingly, it can. It is only a matter of time before the real interferers get going.

The worry is that mobile phone viruses could spread very quickly indeed. Imagine that your phone collects a virus, unknown to you. It may interfere with operation but not put it out of action. Every time you ring someone, you infect that person's phone and the virus is transmitted to every other phone that he or she calls, ad infinitum!

### **OFT stops misleading claims**

Intenta Marketing Ltd (now in liquidation) sold holiday club membership through sales presentations. The Office of Fair Trading received many complaints about misleading claims about the benefits of the holiday club made at these presentations.

Some will be familiar. One was that those attending the presentation would receive a free holiday of their choice without having to join, rent or buy anything. This was not the case. Another was the promise that those purchasing access to the holiday club website would have worldwide holiday opportunities available all year round when there were no such opportunities. A claim that holiday club membership gave exclusive access to flight booking services at discount rates led, in fact, to facilities available to anyone.

The OFT found that the presentations breached consumer protection legislation and has obtained undertakings from Andrew Hennessy and Simon Hadley, former directors, that they will no longer make misleading advertisements in their sales

presentations for holiday clubs and that they will inform customers of their right to cancel within seven days of signing a contract. They have also undertaken to refrain from using unfair terms in their contracts with consumers.

These undertakings are aimed at the future business activities of Mr. Hennessy and Mr. Hadley. If either or both breach any of the undertakings, the OFT can seek a court injunction, and failure to obey a court injunction could result in proceedings for contempt of court.

We know from previous cases that the OFT will indeed do all of the above if the undertakings are breached. If you want advice about holiday clubs you can find it on the OFT website [www.of.gov.uk](http://www.of.gov.uk) in the consumer advice section.

### **Food Standard Agency Board meeting**

The FSA holds regular open Board meetings around the country and they are usually very interesting. The FSA is genuinely anxious to attract more consumers to these meetings. The next one is in London on May 12<sup>th</sup> at 9.30am, at the Russell Hotel, Russell Square, WCI.

The agenda will include a progress report on the transition towards a BSE testing regime and a report from the Chairman of the Meat Hygiene Service. There is always a question and answer session at the end, so prepare your really awkward questions and get real answers from the real experts.

While anyone can attend, you have to register, and do so before 4<sup>th</sup> May if you want to receive Board papers before the meeting. The Glasgows Group, Customs House, Customs Way, Preston PR2 2UW deals with registrations – phone 01772 767730 or ask [fsaboardmeetings@glasgows.co.uk](mailto:fsaboardmeetings@glasgows.co.uk) for a registration form. You can register online, at [www.food.gov.uk/aboutus/ourboard/boardmeetings/](http://www.food.gov.uk/aboutus/ourboard/boardmeetings/)

The following meeting will be on 14<sup>th</sup> July in Cardiff

This Newsletter is published by the National Consumer Federation - Registered Charity No.1101414, Registered Office, 180 High St. West Molesey, Surrey. KT8 2LX - in furtherance of its aim to educate and inform consumers and is compiled by John Brown who welcomes contributions to [editor@ncf.info](mailto:editor@ncf.info). Secretary Stella Nicholas – Phone 020 8941 2513, Fax 020 8979 0871, e-mail [office@ncf.info](mailto:office@ncf.info) and web site [www.ncf.info](http://www.ncf.info)