

# **NEWS UPDATE FROM THE NATIONAL CONSUMER FEDERATION ~ AUGUST 2007**

## **FSA AND FOOT AND MOUTH**

The Food Standards Agency website carried this message today, 6<sup>th</sup> August: "The current outbreak of foot and mouth disease on a farm in Surrey has no safety implications for the human food chain. People do not need to change their diet and can continue to consume meat and milk".

## **TISCALI EXPANSION**

Reports in the middle of July indicate that the Italian communications provider plans to buy the broadband and voice services of provider Pipex for £210 million. Tiscali may be an Italian company but it gets about two thirds of its revenue from the UK market and is keen to increase this.

## **ROYAL MAIL ZONAL PRICING**

Royal Mail wants to charge large mailers different prices depending on where in the UK their mail is delivered. The mailings are those not covered by the universal service obligation

Postcomm does not like the proposals and proposes to reject them because it thinks that Royal Mail's application appears discriminatory and would lead to unreasonable changes for customers. However, Postcomm remains supportive of the principle of cost-reflective pricing if Royal mail can submit an application that meets regulatory tests. This would include zonal pricing for non-universal service items if Royal Mail can devise an application that meets the requirements of its licence and Postcomm's regulatory duties.

Postcomm made this announcement on July 23<sup>rd</sup>, in advance of a consultation document in August. This unusual step was in order to reduce market uncertainty. The consultation document will spell out in detail why Postcomm is minded to reject the application.

The universal service, whereby ordinary mail is delivered at the same price to any address in the UK, is a valuable attribute, particularly to those who live in isolated or

inaccessible places. It seems fairly obvious that Royal Mail would like to be able to charge more in cases where the ordinary stamp is inadequate in meeting the cost of delivery, but the universal service is a hallowed part of its licence and not to be tampered with. However this application for zonal pricing, although not aimed at it, does make one wonder how untouchable the universal service really is.

## **THE PARKING TICKET AWARDS**

This is the title of a book by Barrie Segal, to be published in August. It is a collection of apparently true but almost unbelievable stories of eccentric ticketing by traffic wardens. In one case the traffic warden issued a parking ticket to a bus driver as he picked up passengers at a bus stop.

A review of the book appeared in *The Daily Telegraph* on the 23<sup>rd</sup> July. It will cost £6.99 but the reviewer suggested that the author had missed an opportunity in not doubling the price if the reader fails to pay him within a fortnight.

Barrie Segal has a website, [Appealnow.com](http://Appealnow.com), where he helps people contest unfair parking tickets. This may be useful information as, in March, Traffic Wardens will get new powers. At present a ticket is only valid if it is handed to the driver or attached to the vehicle, or in one case in Mr. Segal's book, the animal.

According a *Times* article on 25<sup>th</sup> July, next March a Traffic or Parking Warden will have the authority to write a ticket to penalise a driver who stops briefly and then drives away before the ticket can be handed to him or fixed on the vehicle. The penalty notice would then be sent on by post. What is to stop a warden who is short of his quota of tickets issued from writing a few relating to motorists who had to stop because the traffic generally had stopped?

The Department of Transport said this power would help protect wardens from assault by motorists. Is it that the balance of power is shifting worryingly over to the wardens? Motorists may soon need Mr. Segal's help even more than they do now.

## **CASE SENSITIVE**

There are now two educational departments. They both reside in Sanctuary Buildings, near the Houses of Parliament, as did the old Department of Education and Skills.

Naturally this means new nameplates. One department nameplate is all lower case lettering; the other uses capital letters, as one would expect. The lower case one is the **department for children, schools and families** and the other the **Department for Innovation, Universities and Skills**. Can one read a message into these different approaches? Is one trying to project a cool, modern image and the other a correct and serious one? It is not very innovative though.

### TRILLIONS

It is not very often that one comes across a trillion number, even in the financial pages of our newspapers. One appeared on Sunday, 5<sup>th</sup> August, in *The Observer*. The report covered the success of The City in various financial spheres when compared with Wall Street.

It seems that derivatives trading is worth \$1 trillion a day in London while in New York it is worth less than \$400 billion. Yes I know it is a trillion in dollars, but it is still an impressive figure.

### OFT PROHIBITS ESTATE AGENTS

The Office of Fair Trading (OFT) has recently issued prohibition orders against two East London estate agents, Azad Azam and Sheena Khan banning them from engaging in estate agency work. However this prohibition order does not come into effect until the end of an appeal process.

Khan and Azam, who were directors of London and Essex Estates in Leytonstone, pleaded guilty at Kingston Crown Court in 2006 to several offences. These were perpetrated when they represented to both buyers and sellers that a property was sold for a higher price than was in fact the case. They then pocketed the difference. They both received prison sentences and were banned from being company directors for seven years.

The scary part of this case is that, while carrying out these deceptions, Mr. Azam was employed as a police officer!

Mr. Ray Hall, OFT Director of Markets and Projects said:

“Whether buying or selling a property, consumers need to be able to rely on the integrity of their estate agent. When an estate agent engages in any form of fraudulent conduct the OFT will take action to prevent them from working in the profession. The fact that Mr. Azam was

employed as a police officer at the time of the offences and used this position to gain the trust of his clients makes this case even more serious”.

### HIPS OBLIGATIONS

It is not only defrauding house buyers or sellers while working as a policeman that can lead to an estate agent being banned from practicing. At the end of July the OFT warned estate agents that that a failure to comply with the new Home Information Packs regulations could land them in trouble or even a ban from estate agency work.

It has been well publicised that now all homes for sale in England and Wales with four or more bedrooms will have to be provided by the seller with a Home Information Pack. These packs include details of the property title, planning permissions, an Energy Performance Certificate and searches.

The OFT says that failure to follow the HIPS regulations might lead to an estate agent being considered as indulging in an ‘undesirable practice’. This could cause the OFT to investigate whether the agent was a fit person to continue doing estate agency work.

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