

## **Consumer Green Paper**

The Department of Business, Energy and Industrial Strategy (BEIS) has published their long-awaited [Consumer Green Paper](#) for consultation. The Green Paper emphasises the centrality of consumers to the economy, the importance of competitive markets and the impact of new technologies and practices, for example buying goods and services in bundles. The Green Paper fits into the wider Industrial Strategy which seeks to improve productivity in the economy, with competition described as a “key determinant of productivity”. The Green Paper is more of a call for views than a comprehensive outline of proposed policy in this space, with the consultation closing on **4<sup>th</sup> July**.

The Green Paper focuses on the use of technology and data, national and local level enforcement of consumer rights, access to ADR and vulnerable consumers.

### **Competition**

General points regarding the promotion of competition include:

- Former Treasury Select Committee Chair, Andrew Tyrie, has been nominated as chair of the Competition and Markets Authority (CMA).
- £2.8m extra per year allocated to the CMA as announced in the Autumn Budget 2017 to take on more cases.
- Government will publish a review of the existing competition regime by April 2019.

## **Telecoms and other regulated markets**

### **Switching and Loyalty Penalties**

The Green Paper states there is still more that can be done to prompt consumers to think about switching, and to “lower the real and perceived costs of switching”.

The UK Competition Network, which comprises the Competition and Markets Authority and the sectoral regulators, will publish a report later this year detailing evidence and behavioural insights of research on consumer actions, which is welcomed by the Government.

The Green Paper also looks at automatic switching services and the importance of data portability to maximise the opportunities from these kinds of technologies. The Paper cites new provisions under the Data Protection Bill which will introduce a new right for personal data portability, though highlights the challenges of gaining consumers’ trust in such a system.

The Green Paper also outlines issues surrounding 'loyalty penalties' and looks for ways to ensure consumers are not materially disadvantaged for staying with their existing supplier, including potential Government and regulator intervention where appropriate.

### **Smart Data Review**

The Green Paper highlights the important role of data in markets which "too often works against consumers" using the example of loyalty penalties. It cites the ability of suppliers to identify and segment consumers into different groups on the basis of their individual characteristics or behaviour, and to charge some of their customers more for the same goods or service. In an attempt to rebalance the information asymmetry, the Government will launch a 'Smart Data' review into data portability.

### **Bundled services and choice**

The huge range of choice offered by bundled packages in telecoms is cited as having the potential for being too complex for consumers, especially vulnerable consumers, to compare effectively.

### **Consumer advocacy**

The Green Paper outlines the existing arrangements for the protection and promotion of consumer interests in the telecoms sector through the Communications Consumer Panel, however, seeks views on whether changes need to be made to ensure greater support and protection, especially for vulnerable customers.

### **Alternative Dispute Resolution**

The Green Paper looks at the important role of ADR, but the need to address low levels of awareness of the system by consumers, with evidence suggesting that consumers who use alternative dispute resolution tend to be older, more educated, and earn more than the average adult.

The Green Paper also cites the responses to the call for evidence in 2016 and further Government research which highlights further action is needed to improve the quality of service offered by alternative dispute resolution providers.

The Green Paper also explores whether the choice of ADR providers in one industry (CISAS and Ombudsman Services for telecoms) is also beneficial for consumers, or whether this causes undue confusion, and impacts the quality of service provided.

BEIS has further published a separate [paper](#) on ADR and the court system assessing its impact and effectiveness, and suggesting indicators which could be used to monitor the success of consumer ADR in the UK.

### **Enforcement**

To strengthen the public enforcement of consumer law the Green Paper outlines plans introduce legislation to give civil courts the power to impose financial penalties on companies for breaches of consumer law. The financial penalty will be subject to a total cap of 10% of a firm's worldwide turnover, though it is hoped that the availability of this coercive power will discourage promote prompt swift compliance with the law when a breach has been identified.