

BEIS update for CACS/TS WG meeting: 19 October 2021

Timing and next steps

- The consultation closed on 1 October – BEIS has a strong working relationship with Citizens Advice and Trading Standards and is grateful for the valuable insight they provide
- We are now analysing the responses received and will publish a govt response in due course
- We regularly engage with Ministers on policy development and stakeholder views to inform their decision making. Ultimately decisions on policy are for Ministers to make, taking into account political and economic drivers
- Looking ahead, Ministers are currently considering the legislative timetable for the 3rd and 4th Parliamentary sessions. We don't yet know the outcome, or when we are likely to legislate

Emerging picture from responses (Caveat that none of this is govt policy and ministers not yet sighted on our thinking so far)

- Proposals were well received – stakeholders agree more can be done on supporting consumers in exiting unwanted subscriptions, and to address online behavioural biases.
 - On fake reviews/drip pricing/undisclosed paid-for search results – the devil will be in the detail and we will need to work with businesses, enforcers and consumer groups to define what 'reasonable and proportionate steps' we will take
 - On subscription traps – support on gaining explicit consent to renew subscriptions from consumer groups, but businesses have expressed concern over the regulatory burden and have warned that long lead-in times will be needed to prepare for a change in rules. There is a balance to be struck here.
 - On enforcement – broad support for extending the admin enforcement model to CMA, but businesses want the CMA to be proportionate in its application of new powers. Strong appetite from business for the CMA to continue its collaborative, educational work on non-compliance. General support for making ADR mandatory in used cars and home improvement sectors, but many responses flagged that a nominal fee might have an adverse effect in preventing consumers from seeking redress.
 - We are being pressed to do more on enforcement, particularly on extending the admin powers to other regulators and extending the ADR mandation proposals to other sectors where consumer detriment is high (airline travel was mentioned often in responses), On ADR, we are aware MoJ is calling for evidence on the wider landscape of ADR – we will continue to work with them on this and join up.
 - Several responses highlighted the 'elephant in the room' that is lack of funding to local TS teams. There was widespread support for boosting the funding settlement (noticeably from businesses), which we will pass on to DLUHC (Dept for Levelling Up, Housing and Communities).