
**Decision Session - Executive Member for
Culture, Leisure and Tourism**

13 March 2017

Report of the Assistant Director – Planning and Public Protection

An Approved Trader Scheme

Summary

1. This report recommends the strengthening of the partnership between City of York Council and Age UK and support for their Home Services Directory and a partnership with Checkatrade to form a new Trading Standards Approved scheme for local traders in the York area.
2. The aim of the partnerships is to produce enhanced directories of reliable, legally compliant and customer-focused tradespersons, approved by City of York Council Trading Standards (CYC TS), to protect all of York's consumers (residents, businesses and visitors). The partnerships would also help to support local businesses and the economy, to create jobs and to generate income for the council.
3. The report supports the council's priorities to create jobs and grow the economy, build stronger communities and protect vulnerable people. It also supports the three core capabilities to be a confident and collaborative organisation, to be completely in touch with our communities and with a relentless focus on our priorities.

Recommendations

4. The Executive Member for Culture, Leisure and Tourism is asked to:
 - a. Note the contents of the report
 - b. Strengthen the partnership with Age UK
 - c. Agree a new partnership between City of York Council Trading Standards (part of Public Protection) and Checkatrade

Reason – To support the council's priorities to create jobs and grow the economy, to build stronger communities and to protect vulnerable people.

Background and overview of approved trader's schemes

5. Every year City of York Council Trading Standards and York Citizens Advice Bureau (CAB) receive complaints from customers unhappy with the quality, type or cost of work undertaken or products and services supplied. Many of these relate to vehicle repairs and sales and to work undertaken by tradespersons. In the last 12 months there have been almost 2000 complaints from the public (1,100 of these are about York based businesses); 175 of these have been about garages and car sales and 122 about repairs to property. These business areas have numerous trade bodies but few regulations.
6. City of York Council responded to concerns from garages, car sellers and members of the public by launching its' "Approved Garages Scheme" (AGS) on 26 May 2016. The scheme's main aim is to give residents and garages peace of mind about the quality of services they are buying and providing. Another aim is to raise standards at the car dealerships, garages and service and repair workshops approved by the scheme, through checks and audits for both competency and legal compliance by CYC's Trading Standards Officers (TSOs). TSOs undertake checks to maintain standards, investigate any customer complaints and intervene to help to resolve them to the satisfaction of both customer and garage. Members of the scheme receive regular updates on the law, new guidelines and professional advice. They also have access to the council's AGS website and membership of the scheme enables them to promote their business as being Trading Standards Approved. The AGS scheme currently has 10 members.
7. The majority of complaints received by trading standards are as a result of consumers seeking advice or wanting to report a problem trader. All telephone numbers initially direct consumers to the Consumer Helpline (CACH) operated by the CAB. The CAB may then telephone CYC TS, depending on the seriousness of the complaint.
8. TSOs will consider the evidence and may seek further information from the consumer and trader before determining what action, if any, including enforcement such as written warnings and prosecution, is appropriate. This is often a time consuming (and costly) process when the consumer often simply wants a refund. Similarly Trading Standards are usually unable to offer support to businesses where false claims are being made.

9. There are currently a number of different trader approval schemes. These can improve the buying power of small businesses, represent their trade sector and provide services with a code of practice approved by statutory bodies. Most of these schemes however are solely to represent the interests of business and provide little protection or potential redress for the consumer.
10. Such schemes may provide market advantage to their members through well-publicised and familiar names, logos and publicity material that are trusted by consumers. They should also give peace of mind and confidence to consumers and feedback to traders and consumers. The scheme should be open and transparent, provide legal advice to traders and assist with dispute resolution.
11. The scheme should also help the consumer, enabling them to choose traders who are legally compliant, competent, safe, solvent and willing to resolve complaints. The scheme should provide the consumer with protection in the event of the trader becoming insolvent. It should also provide consumers with a means of dispute resolution without cost.
12. However, these types of schemes will only refer consumers to members of their organisation. This can provide consumers with a false sense of security and provides little protection to them as the traders have not been approved by trading standards or another fully independent organisation. Some traders falsely claim membership of such schemes.
13. A good approval scheme should represent the interests of the traders and protect the interests of the consumers. It should therefore include:
 - A process that enables swift action to address the complaints of the consumer and protect legitimate traders against spurious claims
 - Criminal Record checks on key employees including salesmen especially where cold-calling or visiting vulnerable persons at home
 - Complaints about the business received by all regulators and other trade and professional bodies
 - Insolvency history of the business and its officers
 - County Court Judgment (CCJ) checks
 - Current compliance of adverts, documents, websites, warranties
 - References sought from customers
 - Qualifications / competency of staff
 - Insurance provisions for damage to consumer property etc

14. Trading standards approved schemes provide a trusted name and therefore greater confidence for the consumer. They also ensure greater legal compliance by traders. Such schemes can help to drive up customer service and standards within the trade sector due to the in-depth knowledge of the law by TSOs. This closer relationship with business can help to build up trust and provide intelligence about rogue traders outside of the scheme. Since TSOs will be familiar with the business, any complaint can be more easily and quickly resolved without the need for an expensive, time-consuming and often confrontational investigation. In time the scheme will reduce complaints from consumers, thereby enabling officers to concentrate on their priority to create jobs and grow the economy, build stronger communities and protect vulnerable people. However, there are now fewer TSOs and resources to deliver such a scheme, especially if the scheme is to be sustainable.
15. Another option is to have a commercially based approval schemes affiliated to Trading Standards (TS). There are already a number of well known brands with existing customers that work with local authority trading standards departments. These schemes can provide far greater resources, information and publicity, in addition to approval by TS.

Home Services Directory

16. Age UK in York currently operate a “Home Services Directory” (HSD), which is a list of traders vetted by the police, City of York Trading Standards and Age UK York to protect householders (especially the elderly and vulnerable) from rogue traders. The HSD was set up in 2000 as a joint venture between Age Concern (as it was then) and CYC TS to combat the problem many older people experience in finding honest, reliable traders. The directory currently includes about 70 tradespersons and 115 entries including builders/joiners, cleaning services, computer services, decorators, drainage workers, driveway cleaners and repairers, electricians, gardeners, glaziers, handypersons, plumbers, roofers (including guttering), security system installers, adapted living and mobile hairdressers. Annual membership currently costs between £96 and £192, depending on the number of employees, with some initial fees for joining and vetting checks. The scheme members tend to be individual tradespersons and small businesses able to provide a bespoke service to the elderly. It is envisaged that any approved trader scheme would operate alongside and complement the HSD.
17. During the “Boxing Day” floods of 2015 there was a need for local residents and businesses to procure professional, reliable and trustworthy tradespersons.

Unfortunately the Home Services Directory was unable to cope with the sheer volume of requests. A directory of approved traders that were vetted and approved would have been very helpful for this and other future emergencies.

Checkatrade

18. One of the best known commercially based approval schemes affiliated to Trading Standards is Checkatrade. Checkatrade was founded in January 1998 after a tornado swept through Selsey in West Sussex, leaving behind £10 million of property damage. Rogue traders from across the UK travelled to Selsey to prey on the vulnerable. Local and national traders' schemes and local and national government were unable to respond to this at the time so Checkatrade was set up to deal with rogue traders and to protect the vulnerable.
19. Checkatrade is now a national organisation with three UK offices and 285 employees. They have existing partnerships with nine local authority trading standards departments including Buckinghamshire, Surrey, Kent, East Sussex, Suffolk and Nottinghamshire and are currently seeking partnerships with other trading standards departments. They have 23,360 tradespersons as members (currently 55 in the York area), are Competition and Markets Authority "compliant" and undertake significant customer (about 50,000 a month) and business feedback. Their website has approximately 1.2 to 1.5 million visits per month (over 3,000 in the York area). Checkatrade claim to have generated 9158 new jobs in the UK in the past 12 months and receives only one complaint from customers per 200 jobs. They won the Queen's Award for Enterprise in Innovation 2014.
20. Checkatrade has an advantage over other similar schemes in terms of the above and their publicity, sponsoring and advertising including on television (Good Morning, ITV Weather, Cowboy Builders), radio and the English Football League Trophy. If CYC decide to partner with Checkatrade, our scheme would be advertised in regional and local media and social media.
21. All tradespersons joining Checkatrade are rigorously vetted: this includes face to face interviews, insurance, qualifications, references and financial checks and checks by our own TSOs before they could become members (for which we would receive a small fee to cover our time).
22. All of the above checks will provide confidence to customers. Customers can obtain traders information via a website, a mobile app and a printed directory that is delivered straight to homes and businesses.

They would also have access to a trade appraisal help line to obtain accurate information on any of the listed trades and services. Consumers can review all good and bad consumer comments and scores on the website on which there are currently over 2.3 million reviews. Checkatrade also has its own customer complaints advisors to help if a job goes wrong.

23. In a recent poll of Checkatrade customers, 39% wanted tradespersons checked by Trading Standards and 97% said they would choose a TS checked tradesperson over one who wasn't.
24. Over 28,000 consumers in the York area have looked for approved traders on the Checkatrade website.
25. It is proposed that City of York Council enters into a partnership with Checkatrade. However this partnership will only be successful if it also works for and supports local businesses and consumers. CYC TS will therefore have the final say on whether a trader can join the scheme.
26. CYC Public Protection (which includes Trading Standards) has considered a number of alternative approved trader's schemes including Buy with Confidence and Independent / Trustmark, but considered that these were not appropriate for partnership for reasons relating to their resources, finance and charging structure.

Consultation

27. Consultation has taken place with Age UK, the Citizen's Advice Bureau, Older Citizens' Advocacy York and the trading standards departments of Surrey & Bucks, Suffolk, Kent, East Sussex and Nottinghamshire.
28. All the Trading Standards departments contacted were very positive about their partnerships with Checkatrade. Surrey & Bucks mentioned their support and advertising compared with other similar schemes. Checkatrade sponsor Cold Calling Zone signs and leaflets in Suffolk. Some Trading Standards departments use Checkatrade's business database. East Sussex welcomed the transparency of Checkatrade and the income generated. Kent and Nottinghamshire moved from Buy with Confidence to Checkatrade, because they are better known, require less trading standards resources, have a good reputation, better advertising, are accessible, deal better with complaints and have better vetting procedures. Kent also has a Primary Authority Partnership with Checkatrade.

Council Plan

29. The partnership with Checkatrade is closely linked to a number of elements of the Council Plan:
- A prosperous city for all – it will create jobs and grow the economy, by providing dedicated support to local business through professional advice and publicity
 - A focus on frontline services – providing reassurance to consumers and business
 - A council that listens to residents by providing them with an approved traders scheme that protects them from rogue traders and doorstep crime

Implications

Financial Implications

30. There are no direct financial implications to this report except that Public Protection will generate some income from vetting applicants to an approved trader scheme.

Equalities Implications

31. The scheme will protect vulnerable members of the public.

Legal Implications

32. None for the council. The proposed scheme will provide additional legal protection to consumers in York.

Risk Management

33. Not applicable.

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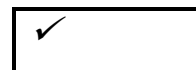
**Report
Approved**



Date 28 February 2017

Wards Affected:

All



For further information please contact the author of the report

Background papers: None

Annexes: None

Glossary of abbreviations used in the report:

AGS - Approved Garages Scheme

CAB - Citizens Advice Bureau

CCJ - County Court Judgment

CYCTS - City of York Council Trading Standards Consumer Helpline (CACH)

HSD - Home Services Directory

TS - Trading Standards

TSOs - Trading Standards Officers