

# consumer futures

## Towards the new Consumer Agenda

The UK has a dynamic economy, which turns on the confidence and aspirations of everyday consumers. The National Consumer Council is described by the *Guardian* and the *Telegraph* as the UK's leading consumer group. Our work shows that, increasingly, consumers know their rights, reward good service and leave companies that treat them badly. But our work also shows that:

- many public services lack the human touch and fail to empower the people who use them
- some people are locked out of today's market and the poor pay more, or get less, for a wide range of services
- the opportunities people have as consumers raise new issues about the responsibilities we have in relation to wider family, society and environment.

Looking forward, consumers are likely to live in a world defined by digital connectivity and low-carbon lifestyles.

So it is time to explore a new consumer agenda – an agenda that is the key to unlock the economic value of a world-class competitive economy and to harness the contribution of consumer action on challenges from public health to climate change.

The traditional consumer agenda focuses on value, along with safety, price and choice. The good news is that there have been real advances in relation to each of these, with safety standards for products and competition improving choice and bringing down prices from clothes and books through to cars and groceries.

There are still markets in which consumers lose out, because they lack the power of providers. NCC has championed the cause of car owners, who are ripped off to the astonishing tune of £4 billion every year. And we are pioneering the case for a new support centre for the growing number of people who have suffered identity theft.

But there are also emerging consumer concerns which focus on values, from rising interest in better public services through to a concern for public health and a passion for sustainable living.

There are tensions between these approaches, but they do not have to be trade-offs. We are exploring a new consumer agenda that brings these together, based on the building blocks of:

- A fair deal for all
- A clear voice
- Responsible choice
- Shopping around

# a fair deal for all

'The less money you get, the more money you end up paying out.'

**Eight million consumers don't have enough savings to be able to afford to replace or repair household essentials, such as washing machines or cookers.**

**But also:**

- 7.8 million consumers are denied access to mainstream credit.
- Around 5.5 million people cannot afford to heat their homes adequately.
- 11 per cent of Britons say they feel left out of society.
- A quarter say they could fall into poverty.

**The poor pay more... or get less. This is what we have found to be true across a wide range of essential services.**

### Current campaigns

Barclays and Co-operative Bank, along with credit unions, are using NCC's research to redesign their basic bank accounts.

Together with our sister organisation, energywatch, we are campaigning for fairer tariffs for gas and electricity consumers in fuel poverty.

Our super-complaint on the high cost of doorstep lenders has led to action that could save low-income consumers up to £75 million per year.

# a clear voice

'They do listen to us, but it takes time... you have to keep pushing them, telling them to keep doing it.'

**Whether private, public or voluntary sector, people tell us that the best services are those with a culture of listening to the voice of consumers:**

- **Seven out of ten of public service users express their views on the service they get, but only a fraction of this is used to improve service design and delivery.**
- **As a result, there are 1.4 million complaints each year in relation to public services, costing £510 million to deal with.**
- **An eighteen month study by NCC into customer service in Britain today described the phenomenon of the 'stupid company' that throws away money by alienating consumers. Pet hates were 'robotic' call centres, aggressive sales staff and broken promises.**

**Poor customer service costs the British economy and wastes public funds.**

#### **Current campaigns**

NCC is campaigning for regulators and government to take account of the voice of five million social housing tenants in England.

We have challenged BSkyB and Virgin Media with the threat of a 'super-complaint' over their failure to sort popular channels out for over three million cable viewers.

In Scotland, the Scottish Consumer Council (SCC) is taking forward the argument for a national, independent, representative body for parents.

# responsible choice

'There should be more things like recycling... It was a pain when it happened, but now you don't think about it.'

Choices are all around us. The decisions we make, whether big or small, are how we make our mark on the world around us. But new trends point towards the importance of responsible choice:

- The UK has the highest obesity rates in Europe, so that healthy eating has never been more important.
- Ethical concerns have gone mainstream, with celebrity endorsement of low-carbon cars, the use of organic cotton by fashion designers and the 'Red' label, raising global funds to tackle AIDS.

The right choice is not always the easy choice. The complexity of deciding what is healthy or ethical, for example, can leave even the most dedicated shopper dazed and confused.

#### Current campaigns

NCC is running a social marketing centre with the NHS to ensure that healthier choices become easier choices for consumers.

We are campaigning for supermarkets to improve what they offer in terms of healthy and more sustainable choices for consumers, with a public rating for each retailer, from best to worst.

We are championing the cause of seasonal food as an enjoyable way to tackle climate change.

# shopping around

'A company offered me cheaper electricity. As a mother of four, of course I wasn't going to say no.'

**Consumer power is on the rise, with more and more people willing to turn their back on companies whose services are not up to scratch:**

- From reclaiming bank charges through to sharing recommendations online, consumers are more active than ever before.
- The NCC's Active Consumer Index shows that one in four consumers has switched supplier in the last year.
- Overall switching levels have increased by 52 per cent over the last five years.
- 70 per cent of consumers tell us that company bosses are out of touch, with no idea what it's like to be a customer.

**Many markets, ranging from traditional public services through to new communications sectors, still make it hard for people to shop around.**

#### Current campaigns

NCC has won the argument for improved 'fair use' rights for consumers, so that we can copy music and films for our own use. We are now lobbying to make sure this makes it into legislation in a flexible enough way.

We are championing the rights of children targeted by relentless marketing. 71% of children told us that they are ripped off or put down by suppliers.

The Welsh Consumer Council (WCC) has led the argument for technology support in areas like the Welsh Valleys where residents tend to be cut off from internet access.

**Consumer Futures: building a new consumer agenda through listening and engagement. What does it mean to be a consumer in the 21st century? What is the nature and extent of consumer disadvantage? How can consumers' needs best be addressed by decision-makers in government and business?**

With parliament creating a powerful new statutory National Consumer Council, our Consumer Futures project aims to build the intellectual framework, consumer insight and high level relationships that will enable it to succeed. Consumer Futures will be a major programme of research and engagement that will involve dialogue with business and consumer leaders, as well as extensive consumer research. If you would like to play your part in shaping the new consumer agenda, let us know at [consumerfutures@ncc.org.uk](mailto:consumerfutures@ncc.org.uk)

PD 26/07

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