



**CONSUMERS' ASSOCIATION OF IRELAND**

SUBMISSION

TO THE  
COMPETITION & CONSUMER POLICY COMMISSION  
ON THE

CONSULTATION PAPER ON STRATEGY

The Consumers' Association of Ireland (CAI) is a wholly independent, non-profit, NGO, registered with charitable status, founded in 1966 to protect and promote the interests of consumers.

FEBRUARY 2015

**February 24<sup>th</sup> 2015.**

**Consultation question 1.**

*How should we prioritise sectors of the Irish economy that would benefit most from intervention to increase competition and promote overall economic welfare?*

When there is consumer detriment – loss, lack of competition, unfair terms in contracts, poor quality service, concern regarding the safety, quality and fitness for purpose of a product or service then the key indicators contributing to that loss must be addressed.

Seeking to prioritise becomes, for an agency as strong as and with the remit of the Competition and Consumer Protection Commission of the State, somewhat irrelevant. This is predominantly due to the fact that the issues and areas where they are prevalent and or growing have been doing so for a considerable number of years.

Breaches on a daily basis of the provisions of the Sale of Goods & Supply of Services Act, 1980 indicate how much so many sectors of our economy benefit monetarily to the detriment of the consumers who contract for their goods and services.

The inability for consumers to avail of a charge per transaction rather than per ticket when purchasing for events and concerts has been a cause for great loss to the consumer generally and extraordinary profitability for Ticketmaster specifically across the years since it was established.

The fact that the number of mobile phones exceed that of the number of population in Ireland indicates how, when you look to the complaint statistics, consumers are at significant losses through lack of investment in appropriate support from staff who are informed of their customers rights under the provisions of the Sale of Goods & Supply of Services Act, 1980 and the Consumer Protection Act, 2007.

The occasions of over-pricing within the grocery sector over the last 15 years is staggering.

The ability and determination of many newsagents and outlets who provide mobile phone, travel card and other top-up's to add on a percentage of profit is unreasonable and demanding of review. This may be argued to be acceptable under terms of competition but it is nonetheless a method of profiteering that skews the market and results in certain consumers paying more than is reasonable.

The abolition of the Groceries Order lifted the ban on below cost selling. Despite this we have recently seen a Minister enter into discussions with supermarket owners requesting that they not sell at below cost to the benefit of the constituents who rely upon his Departments protection. Is this not an anti-competitive anti-consumer action?

If there is to be a choice and need for prioritisation then we do have a problem from the outset as intervention is and has been needed for a long period of time and across many sectors.

It may be best to consider the future direction in terms of what you will not prioritise.

## **Consultation Question 2**

*How should we prioritise our enforcement activities?*

We have listed above a significant number of examples of detriment where enforcement is needed.

What will assist you in gaining ground is e.g. greater and wider consultation on a regular basis with e.g. the Consumers' Association of Ireland, the Financial Services Ombudsman Bureau, ComReg and others in the form of MOU's and project support programmes to assist you in gathering relevant data for action.

Penalties require to be applied in sums that are a deterrent as opposed to the insignificant fines doled out in recent years and months. One would be forgiven for considering that there is merit in taking and absorbing such fines in comparison to the cost of inputting robust internal systems of audit e.g. in grocery outlets where so many complaints of overcharging arise. Of course, this could be balanced against the reality that the systems are sufficiently robust not to allow undercharging.

A wider network of agents receiving and verifying the complaint data would greatly speed up agility within the organisation.

## **Consultation Question 3**

*How should the Commission encourage compliance with competition and consumer law?*

There is a significant absence of knowledge of consumer rights and entitlements within a great many organisations. This is prevalent at the point of direct interaction with the consumer.

In addition, many organisations have their consumer helplines outsourced to foreign agencies who have neither knowledge nor interest in those rights for the Irish caller.

## **Consultation Question 4**

*How should we go about empowering consumers to be in a better position to make the right choices and assert their rights?*

Many consumers know their right but they are consistently denied them by retail providers who do not or who seek to deny them those rights and entitlements.

Again, as above, there must be penalties for breaches that are of sufficient sums to act as a deterrent from future breaches. These penalties would contribute toward organisations

actively seeking to upgrade their and their staff's knowledge of consumer rights and should, in time, act as a catalyst for change toward better governance and ethical considerations.

Support for the associations such as the Consumers' Association of Ireland now entering its 50<sup>th</sup> year of independent consumer education, representation and support must be encouraged.

Similarly, the support of Money Advice & Budgeting Service (MABS), Free Legal Aid (FLAC) the Financial Services Ombudsman Bureau (FSOB), ComReg, the Food Safety Authority for Ireland (FSAI) and the Advertising Standards Authority of Ireland (ASAI) needs to be highlighted as free services available for the advice and support of consumers.

A national programme of consumer education is greatly needed and the CAI, having run training courses in consumer rights for retail staff for many years, would warmly welcome the opportunity to discuss how this could be considered, planned and jointly implemented.

ENDS

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