

Trends in regulation

Consumer Action Network, 7th July 2009

A new regulatory language?

March 2009

Hector Sants:

“There is a view that people are not frightened of the FSA. I can assure you this is a view I am determined to correct. People should be very frightened of the FSA.”

Alistair Buchanan:

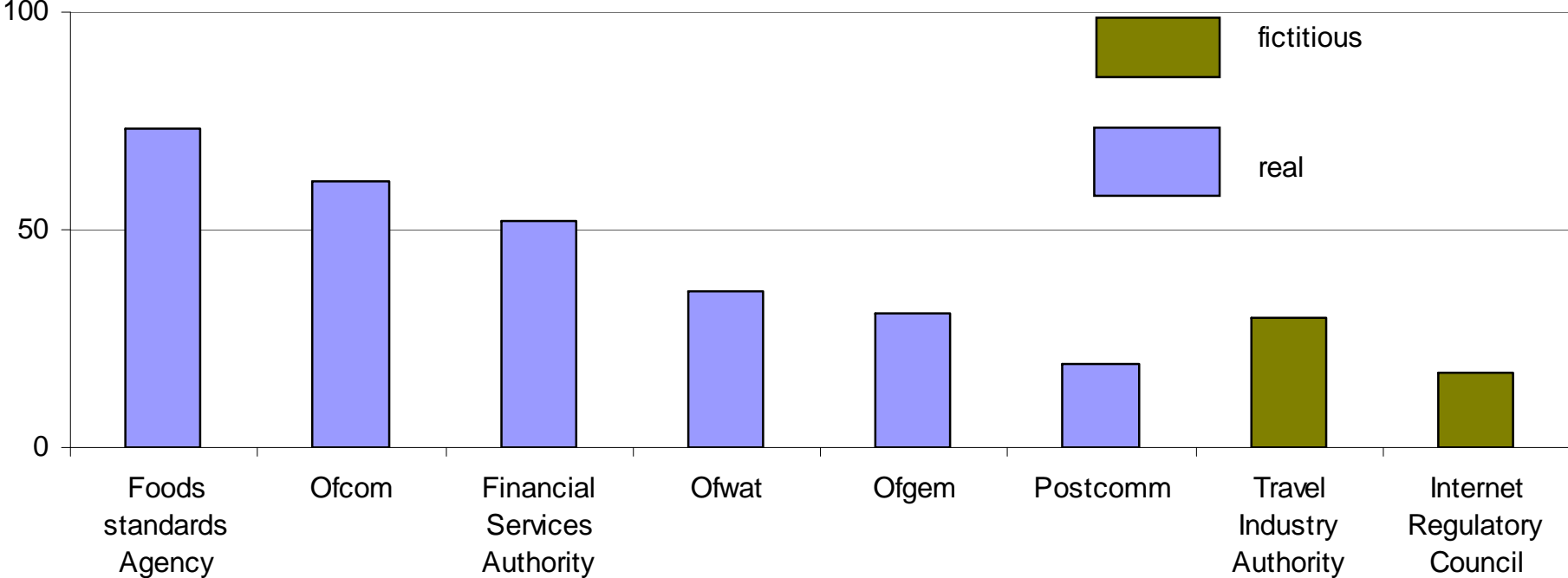
“Pre-payment meter customers and off-gas grid customers have been effectively overpaying for their service. What we are saying is that if any of the companies attempted to do that again, we will nail them through these new regulatory laws.”

A shift from quantity to quality

- BRE/Government agenda
 - Warning! Too Much Information
 - Regulatory budgets shelved... for now
- Greater use of transparency by regulators/others
 - Scores on the doors
 - Financial Services Authority DP
 - Complaints data

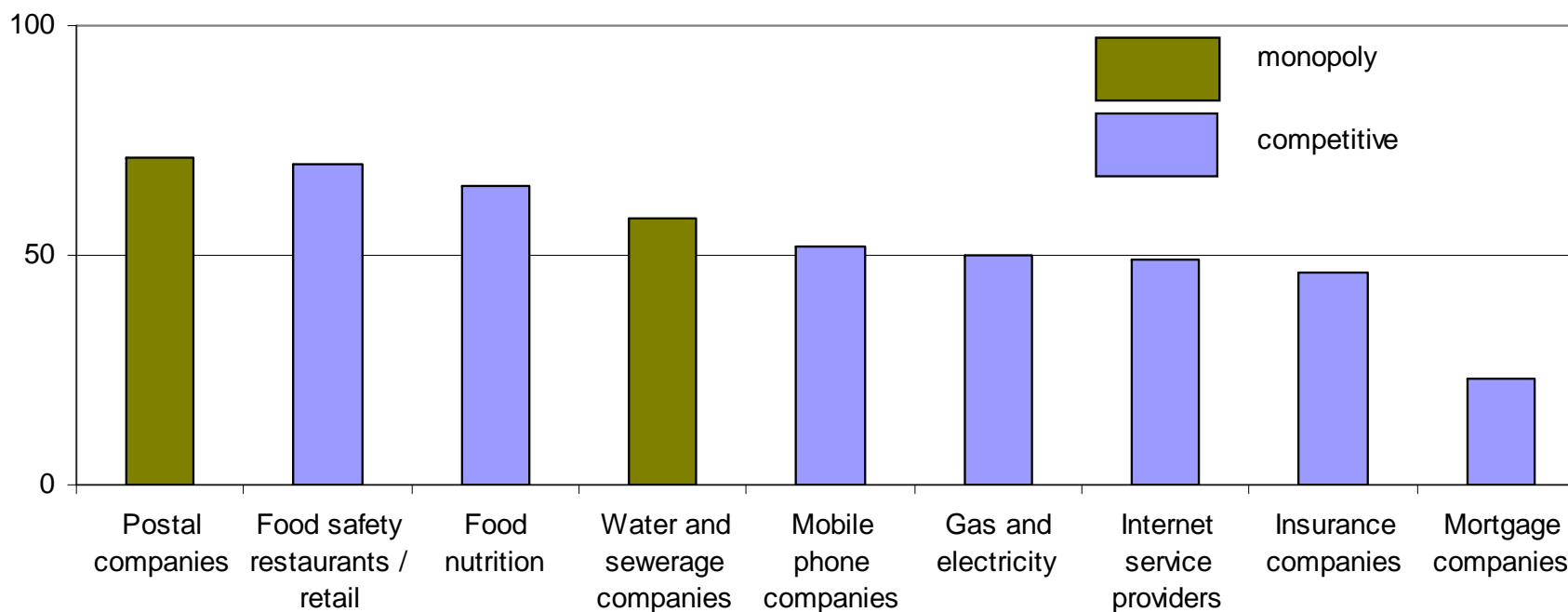
Knowledge about the role and purpose of regulators is limited

Awareness of regulators (%)



Consumers have most confidence in food, less trust in sectors with door to door competition

Level of confidence that consumer interests are being protected (%)



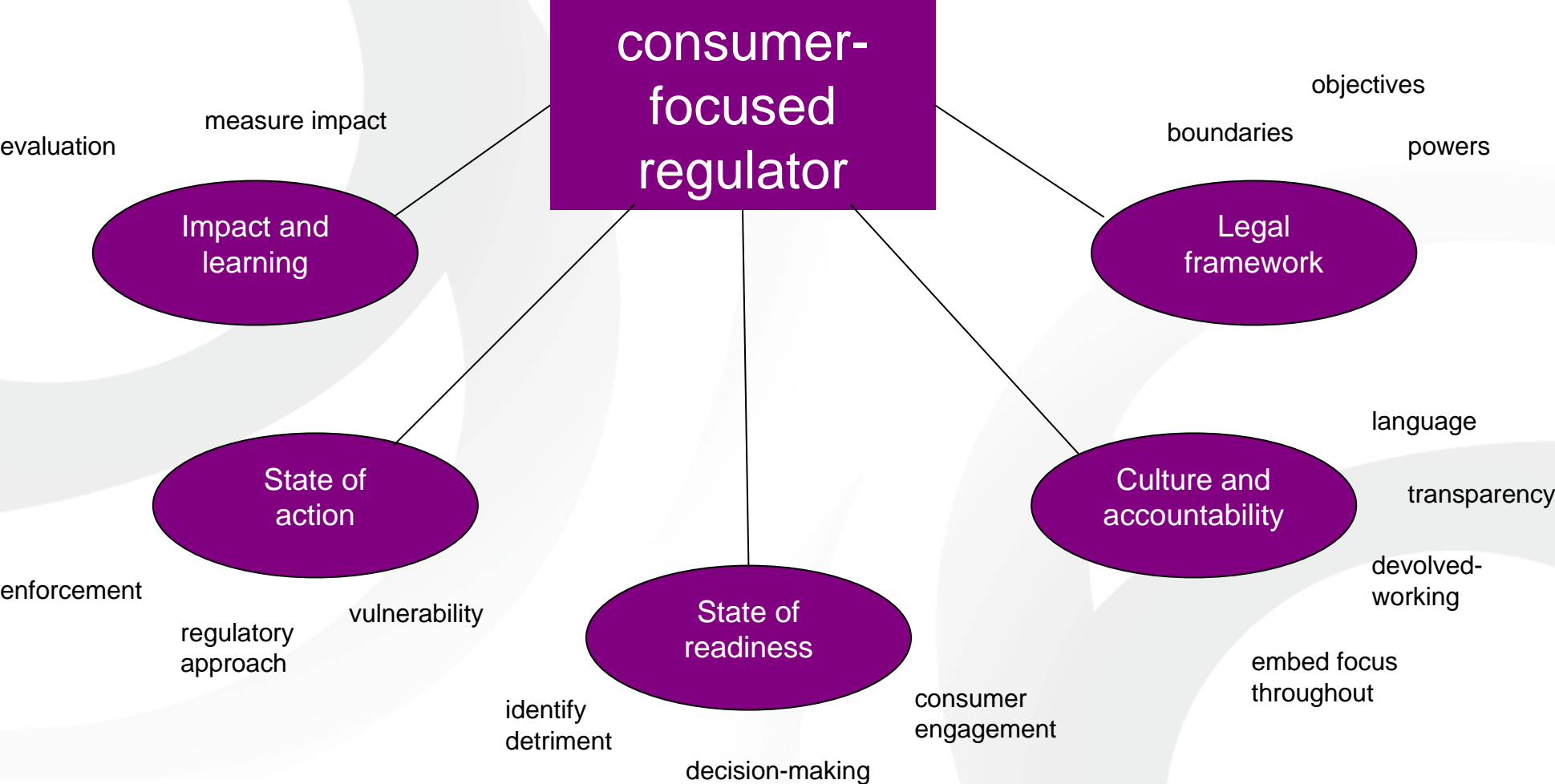
Source: Consumer Survey December 2008,

Rating Regulators

- Six regulators examined against assessment framework developed with help of steering group
- Desk research, stakeholder focus groups, interviews with staff at regulators
- Published February 2009



Assessment framework



Key findings

- Strengths
 - Consumer engagement improving
 - Smarter compliance tools and tougher penalties
- Weaknesses
 - Over-reliance on market mechanisms and use of self-regulation as default approach to fixing problems
 - Hard-wiring a consumer focus internally
 - Working in a devolved setting
 - Elements of transparency and accessibility
- Other
 - Uncertainty about roles of Government and regulators on social policy
 - Good practice not being shared

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