

New reforms to protect consumers

The UK Government's Business Secretary, Kwasi Kwarteng, has revealed an arsenal of planned reforms to boost competition and protect the public from rip-offs, fraud and exploitation as the pandemic restrictions lift.

Plans set out in a new consultation will deliver on the manifesto commitment to 'give the Competition and Markets Authority enhanced powers to tackle consumer rip-offs and bad business practices.'

Mr Kwarteng stated: "The UK's economic recovery relies on the strength of our open markets and consumers' faith in them. By delivering on our commitment to bolster our competition regime, we're giving businesses confidence that they're competing on fair terms, and the public confidence they're getting a good deal."

Protecting consumer rights

In an increasingly e-commerce consumer environment, customers are facing a relentless stream of tricks, designed to make them spend more money than they can afford. The consultation proposes initiatives to update consumer rights, in order to keep pace with market developments.

It intends to strengthen protection for consumers investing in prepayment schemes such as Christmas savings clubs to safeguard customers' money. It also outlines plans to clamp down on subscription traps, requiring businesses to

be explicit on exactly what it is customers will be signing up for, and allowing them to cancel without any difficulty. Additionally, it highlights the issue of misleading online ratings and commits to criminalising the act of paying someone to write or host a fake review.

Enforcement

Tougher penalties for non-compliance will see increased power for the Competition and Markets Authority (CMA) to implement fines for businesses who do not comply. The CMA will be able to enforce consumer law directly rather than going through the court processes which can take a considerable amount of time.

They also plan to support consumers and businesses to resolve disputes more independently by improving consumers' access to arbitration and mediation services, without having to go to court.



Which? Director of Policy and Advocacy, Rocio Concha said: "The pandemic has highlighted weaknesses in UK consumer protections that have allowed unscrupulous businesses to exploit customers. The government must now ensure that these proposals are swiftly implemented, and are underpinned by the right resources, so that consumer protection is strengthened."

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