

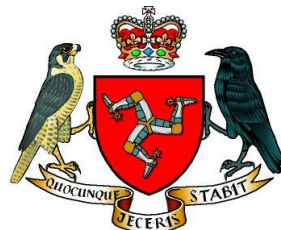
ISLE OF MAN OFFICE OF FAIR TRADING



Isle of Man Office of Fair Trading

ANNUAL REPORT

2023/24



Isle of Man
Government

Reiltys Ellan Vannin

VERSION 1.0
June 2024

INDEX

	Page
FOREWORD BY THE CHAIRMAN.....	3
INTRODUCTION BY THE HEAD OF OFT	3
OFFICE OF FAIR TRADING BOARD	4
FINANCIAL SUMMARY	5
STAFFING.....	5
OVERALL PERFORMANCE AGAINST TARGETS	6
OFT ACTIVITIES	9
TRADING STANDARDS.....	9
CONSUMER ADVICE	10
DEBT COUNSELLING.....	12
FINANCIAL SERVICES OMBUDSMAN SCHEME.....	14
EQUALITY ACT 2017.....	16
COMPETITION AND MARKETS	17
SUMMARY OF OFT ACTIVITIES	18

Office of Fair Trading
The Slieau Whallian
Foxdale Road
St John's
Isle of Man
IM4 3AS
Tel: (01624) 686500
Email: iomfairtrading@gov.im
Website: www.gov.im/oft

FOREWORD BY THE CHAIRMAN



Since joining the OFT in November 2023, I have been impressed by the commitment and dedication of our small staff team and the range of work for which we are responsible.

The membership of the OFT Board has changed significantly during the year. I would like to thank previous Members for their work and dedication.

The day to day work of the OFT, supporting consumers, is at the core of what we do. Of particular note during the year was the huge amount of work generated in helping utility customers resolve a wave of billing issues. This included our pressing the supplier to address its system problems. At Board level, promoting the independence of the OFT and ensuring that it is adequately equipped remains an important consideration and, in the next reporting period, we will be building on the work started by my predecessors

Tim Glover MHK
Chairman

INTRODUCTION BY THE HEAD OF OFT

In February 2024 the OFT moved office accommodation to *Garey ny Cloie* adjacent to its former home in *Thie Slieau Whallian*, St Johns. This has provided a fresh and, importantly, dedicated and confidential office space, whilst allowing the OFT to continue to use reception and meeting space at *Thie Slieau Whallian*. This is in addition to our existing OFT garage and lab facilities adjoining the St Johns Sawmill. These facilities are vital to our daily operations.

Succession planning and legislative review have remained core issues throughout 2023/24. Two key management vacancies have been filled, with a new Senior Trading Standards Officer appointed in January 2024 and a new Ombudsman Service Manager due to start in early April 2024, both to replace very experienced predecessors due to retirement. The new postholders will be a significant asset to our team and its ongoing resilience. A staff review crossing into 2024/25 will look to equip the OFT for the future, not least in regard to the role of 'Head of OFT' which will require replacement later in the year.

The OFT is a Statutory Board of Government, but there is often misunderstanding about our relationship with DEFA. Whilst working closely and collaboratively with the Department, DEFA has no influence on the work of the OFT. Demonstrable independence has been discussed and work on this is ongoing.

John Peet
Head of OFT

OFFICE OF FAIR TRADING BOARD

Policy within the OFT is agreed by a Board which is constituted under the Board of Consumer Affairs Act 1981 and receives much of its powers from the Consumer Protection Act 1991. The Board comprises:

- a Chairman, who is member of Tynwald;
- a Vice-Chairman, who is a member of Tynwald; and
- three persons, not being members of Tynwald, capable of representing consumers in relation to the functions of the Board.

OFT Board as at 1st April 2023

Mr J C Wannenburgh MHK

Chairman

Mr S G Peters MHK

Vice Chairman

Dr M Maska Mr M Bathgate Mr L Wong

OFT Board as at 31st March 2024

Mr T S Glover MHK

Chairman

Mr C Thomas MHK

Vice Chairman

Mr M Bathgate Mr L Wong Mr B Murphy

During 2023/24, there were 11 regular meetings of the Board. Costs associated with the Board were £26,900. Minutes of the meetings of the Board are published on our website¹.

Members' attendance at Board meetings was as follows:

Name	Meetings		Attendance Rate
	Possible Attendance	Actual Attendance	
Mr T S Glover MHK	4	4	100%
Mr J C Wannenburgh MHK	7	7	100%
Mr C Thomas MHK	1	1	100%
Mr S G Peters MHK	6	6	100%
Mr B Murphy	8	8	100%
Mr M Bathgate	11	10	91%
Mr L Wong	11	11	100%
Dr M Maska	2	2	100%

¹ <https://www.gov.im/about-the-government/statutory-boards/isle-of-man-office-of-fair-trading/the-board/>

FINANCIAL SUMMARY

The year-end net financial position for 2023/24 was below allocated budget. Expenditure was under budget and income was also under budget. In summary, figures were as follows:

	Budget	Actual	Difference
Gross Expenditure	£764,760	£640,357	£124,403
Budgeted Income	-£46,115	-£29,370	-£16,745
Net Expenditure	£810,875	£669,727	£141,148

STAFFING

The OFT has 13 staff dedicated to OFT duties, several of which work fewer than full-time (37 hpw) hours. This means that there is an actual full-time equivalent of 11 staff.

Succession planning has continued to be a priority, with experienced staff expected to retire within the next 12 months.

A new Senior Trading Standards Officer was recruited during the year and a new Ombudsman Services Manager is due to start in April 2024, with a small overlap with the previous postholder. These appointments will contribute significantly to ensuring continuity of service.

OVERALL PERFORMANCE AGAINST TARGETS

	Status	Comments
CORPORATE GOVERNANCE AND FINANCIAL MANAGEMENT		
Continue to achieve the agreed gross and net budget for each financial year.	Achieved	Achieved
Continue to ensure that appropriate systems are in place to manage risk within the OFT. Risk Register to be reviewed regularly and submitted for Board scrutiny quarterly.	Achieved	Achieved
Undertake the specified statutory duties for public bodies under the Climate Change Act 2021	Achieved	Achieved
Engage with DEFA (the Department of Environment, Food and Agriculture) to review the relationship described within the OFT/DEFA Service Level Agreement and implement any changes to further demonstrate the independence of the OFT.	Ongoing	Ongoing dialogue with DEFA.
Develop and agree a strategy, including succession planning, which will achieve a staffing structure suitable to deliver the activities of the OFT, subject to financial constraints.	Ongoing	Ongoing dialogue with DEFA, which provides support to the OFT.
Review the OFT's public registers with a view to moving them online.	Ongoing	The registers have been reviewed and updated. The administration of moving them online is underway.
Review and, if necessary, amend the content of the OFT's website.	Ongoing	Parts of the website have been updated, but full review is required.
TRADING STANDARDS		
Continue to monitor compliance with, and, if necessary, take proportionate enforcement action under trading standards legislation, including the effective administration of a number of licensing and registration regimes.	Achieved	Achieved.
Continue to provide specialist advice on trading standards matters.	Achieved	Achieved.
Continue to actively target those who knowingly trade illegally or unfairly.	Achieved	Achieved.
Continue to maintain the Manx Standards of weights and measures.	Achieved	Achieved.

Conduct a risk assessment of the Island's businesses, with visits to be made to reinforce compliance at 100% of those identified as being 'high risk'.	Green	Achieved.
Undertake at least three projects to reinforce compliance with existing provisions and/or identify gaps in trading standards law.	Yellow	Two projects:- joint visits with Public Health to retailers of vaping projects and joint visits with Customs & Excise to licensed premises.
LEGISLATION/BREXIT		
Continue to monitor legislative developments in other jurisdictions to assess the need for change to Manx legislation.	Green	Achieved.
Progress the Manx equivalent of the UK's General Product Safety Regulations 2005.	Red	Not achieved due to the prioritisation of resources. To be taken forward to next year.
Progress the requisite secondary legislation under the Competition Act 2021.	Yellow	Drafting progressed. To come into force in 2024/25.
Progress the Estate Agents (Amendment) Bill.	Yellow	Ongoing with a draft currently being worked on.
Progress the Business Protection from Misleading Marketing Regulations.	Yellow	Ongoing with a draft currently being worked on.
Progress a review of the legislation for which the OFT has responsibility, in particular the consumer safety and weights & measures provisions, to ensure that it is fit for purpose and proportionate.	Red	Not achieved due to the prioritisation of resources. To be taken forward to next year.
Progress a review of the Manx consumer rights legislation to ensure that it is fit for purpose and proportionate.	Red	Not achieved due to the prioritisation of resources. To be taken forward to next year.
CONSUMER ADVICE & DEBT COUNSELLING		
Continue to provide appropriate advice and support to consumers experiencing problems with purchases of goods or services.	Green	Achieved.
Continue to provide intelligence to enable trading standards to target non-compliance with trading standards legislation.	Green	Achieved.
Continue to provide a confidential debt counselling service.	Green	Achieved.

FINANCIAL SERVICES OMBUDSMAN SCHEME		
Continue to provide a free alternative dispute resolution service for consumers with complaints about defined financial services provided in or from the Island.		Achieved.
Continue to promote good complaint handling by the Island's finance industry so that its reputation is bolstered in the marketplace.		Achieved.
EQUALITY ACT 2017		
Continue to assist individuals in resolving complaints concerning alleged contraventions of the Equality Act 2017 through conciliation as an alternative to the Tribunal or Courts.		Achieved.
COMPETITION & MARKETS		
Continue to monitor and publish monthly and annually comparative pricing data for domestic heating, road fuels and online travel, identifying anomalies and concerns for further investigation.		Achieved.
Continue to monitor prices, trading practices, consumer issues and consumer concerns. Collect, review and, where appropriate, publish statistical data to inform the Board, the Council of Ministers and the public.		Achieved.
As and when needed, to undertake investigations under the Fair Trading Act 1996 into alleged anti-competitive practices and prices of major public concern, and when it is enacted, under the Competition Act 2021 into alleged anti-competitive practices or any market where it believes that the market is not functioning in the interests of consumers or the economy.		Achieved.
On the requisite secondary legislation under the Competition Act 2021 coming into force, conduct a high-level review of the orders retained under the Fair Trading Act 1991.		The requisite secondary legislation is not yet in force.

KEY	
Target Achieved	
Target Partly Achieved or Achieved Late	
Target Not Achieved or Not Achievable	
Target Cancelled or Transferred to another Agency	

OFT ACTIVITIES TRADING STANDARDS

This year has seen the retirement of our Senior Trading Standards Officer after over 20 years' service with the Office of Fair Trading. This has however slightly increased the pressure on the remaining staff to undertake planned works while recruitment has taken place. One officer has now successfully completed their Trading Standards Officer qualifications.

The target for inspection of 100% of premises identified as 'high risk' was met this year with petrol stations, petrol can stores, shops storing fireworks, the pit lane during the motorcycle races, weighbridges, suppliers of domestic oil and the largest supermarkets being inspected to assess compliance with the relevant trading standards legislation, e.g. weights and measures legislation. No major problems were found at any of the 'high risk' premises or businesses concerned.

During the course of the year, the team has investigated several local companies and individuals for issues relating to fair trading and unfair commercial practices. Our Trading Standards Officers continue to respond to reports of traders cold calling across the Island offering unsolicited goods or services. These traders are informed about the Island's strict no cold calling laws and are then required to cease their activities or risk further enforcement action. One such incident involved workmen who came to the Island to offer pressure washing services. They started cold calling and hassling residents with aggressive sales tactics. Our team responded with Police assistance and informed the trader about our no cold calling legislation resulting in them leaving the Island. We use our enforcement policy to make sure matters receive a measured and effective response.

Additionally, we have tested a sample of petrol pumps at forecourts to ensure motorists get what they paid for. Optics and beer glasses in public houses have also been checked. We have responded to any complaints of short measure and also visited producers and checked packing lines to ensure average weight controls are being adhered to. Visits to all premises will also include compliance checks with other legislation enforced. This will include general pricing checks, consideration of advertising materials, and the safety of any consumer goods.

The OFT issues petroleum licences for events across the island that involve the storage of petrol. The TT is one such event that we licence and inspect for the safe storage of petroleum spirits. The team visited and inspected the paddock and pit lane in the run up to and during the event to ensure compliance.

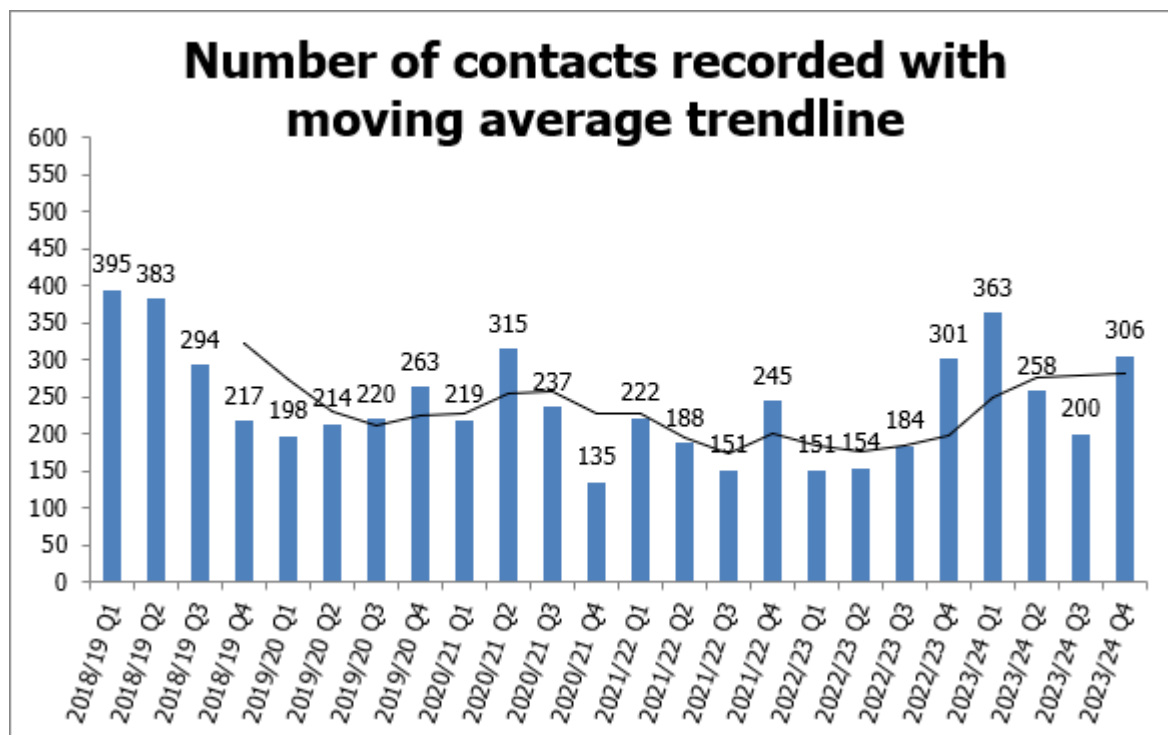
Tesco announced its purchase of Shoprite in October 2023 and has started to renovate the Shoprite stores across the Island before reopening them as Tesco branches. This has resulted in our Weights and Measures staff being involved in the verification of scales and till points across the newly refurbished stores.

The Vaping Products Act 2024 will make it illegal to sell vaping products to anyone under 18 years of age. It will also make it an offence to display vaping products to anyone under 18 years of age unless the display takes place for a permitted reason. The team has been busy visiting retailers to discuss and advise on the changes in advance of the legislation coming into force later in the year.

Trading Standards has taken over responsibility for the registration of moneylenders from the Ombudsman Services Manager.

OFT ACTIVITIES CONSUMER ADVICE

In total, 1,127 contacts (i.e. complaints, enquiries and reports concerning consumer issues) were recorded for the year. Comparisons with previous years are shown in the chart below.



There has been a significant increase in complaint numbers this year from those seen in 2022/23 (1127 up from 790). This was mainly due to the number of complaints received regarding energy billing issues.

From the table, it can be seen that complaint numbers were up in all of the four quarters. The primary reason for this was problems in the new billing system installed by one of our energy suppliers. This resulted in a large number of complaints ranging in complexity and subject matter. Failure to produce bills, incorrect billing and overcharging were just some of the reasons given.

The table below identifies, in descending order, the most significance areas of concern based on the number of contacts recorded:

Subject Matter	Number of Contacts Recorded	% of total
Gas	503	44.6
Home Maintenance	93	8.3
Tenancy	71	6.3
Second-hand Cars	103	9.1
Internet Service Providers	23	2.0

This year's top-ranking categories remain almost unchanged, with only 'Internet Service Provider' complaints narrowly pushing 'Food & Drink' complaints out of the top 5.

The information collected by our small team of Consumer Advisors continues to provide the Trading Standards Service with vital intelligence which enables informed decisions to be made concerning enforcement action.

We continue to raise awareness of consumer rights and concerns through media releases. Presentations to various community groups are also available on request.

OFT ACTIVITIES DEBT COUNSELLING

The Debt Counselling Service has seen a steady flow of clients throughout the year accessing the service. The two main types of debt that people continue to use the service for are credit card debts, which account for 26% of our clients, and personal loans debt, which accounts for 21% of our clients.

Our Debt Advisors continue to give support to people at different stages of the debt cycle. The impact of debt can have a huge adverse effect on a person's mental and physical health. Unmanaged debt can lead to stress, which in turn can ruin friendships, relationships and cause someone to have issues at work. We have been raising awareness that debt can happen to anyone and for a wide variety of reasons. People often feel worried about opening up about money worries, but we are here to help and our Debt Counselling Service is free of charge and completely confidential.

One of the ways that we can help is to make sure our Debt Counselling Service is as easy to access as possible. To help facilitate this, considerable efforts have been made this year to advertise the service and make it more accessible. Posters and advertising material have been distributed around the Island. We continue to be involved with the Western Wellbeing Partnership, as well as attending pre-arranged appointments at various locations around the Island. We attend the Northern Network Partnership's monthly meetings in Ramsey to support that group with information and resources. In addition, we supported a number of events promoting services available to interested groups and organisations, including local charities, schools and corporate bodies. We have received lots of positive feedback from these works. The service still continues to support the UK initiative 'Debt Awareness Week'. This is an annual campaign run by the UK charity StepChange that aims to put problem debt on the agenda.

We have delivered our debt counselling presentation to Magistrates so that as many people as possible working in the debt system know what our service can do to help people, so that they can signpost new clients to us for advice.

The OFT also issued our twelve step guide to avoiding debt at Christmas which contained helpful tips on how to shop on a budget and how to prioritise festive spending.

The report below provides details of the numbers of clients using the service.

Figures should not by any means be interpreted as a measure of the indebtedness of residents of the Isle of Man. They merely reflect the profiles and circumstances of those people who have chosen to make use of the Service.

In the context of this report, "debt" includes priority and non-priority debts. "Priority debts" are those where non-payment can result in clients losing their liberty, homes, essential services or essential goods. Examples of priority debts include fines, mortgages, debts owed to utility providers, and income tax.

2023/24 Summary:-

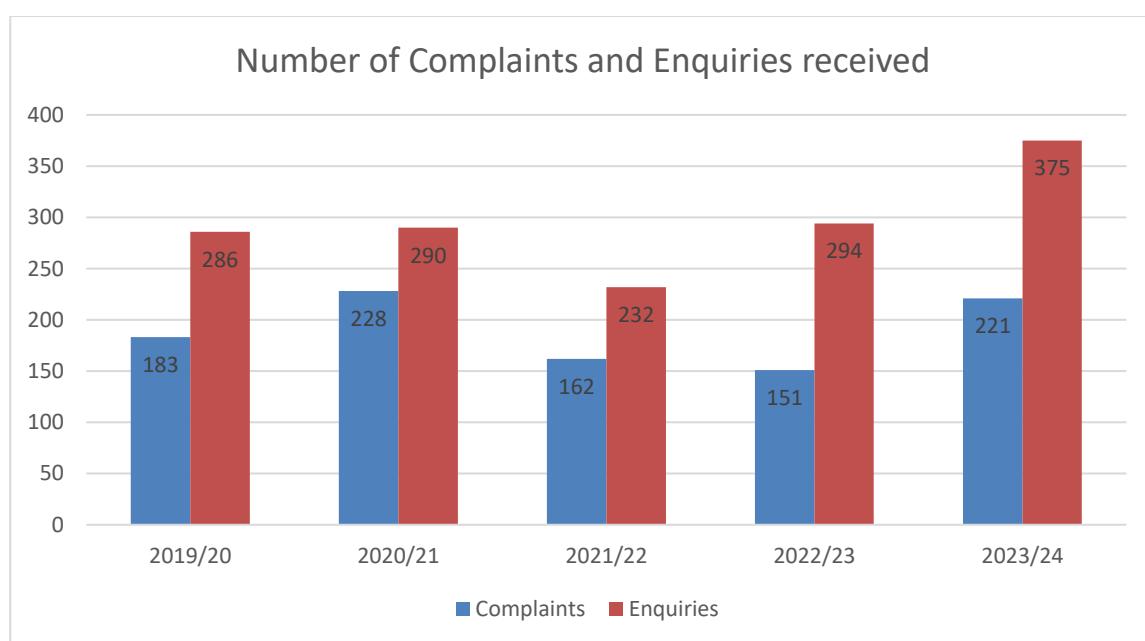
- The Debt Counselling Service helped a total of 268 people in the last year, an increase of 14% on the previous year. This figure is made up of enquiries, new clients and returning existing clients.
- 61 new clients used the Service to create their financial statements and deal directly with creditors on their behalf (32 more than last year).
- A further 29 contacts were received where help was provided to enable individuals to address their own issues. The support given is tailored to the individual's needs and ranges from providing a copy of our self help guide, to more detailed one to one counselling.
- On average, 43 existing clients have returned to make use of the service in each quarter. This demonstrates the resource required to service our existing book of business. Numbers are slightly up with 5 more than last year.
- The cumulative debt (both secured and unsecured) that was owed by all new clients, was £572,425.
- The average debt (both secured and unsecured) owed by each new client was £9,384.
- Credit Card (26%), Personal Loans (21%), Catalogue Debts, Court Fines and Mobile Phone Bills made up the biggest percentages of the debt.

Anyone experiencing debt problems should be encouraged to contact the service, which is completely confidential.

OFT ACTIVITIES FINANCIAL SERVICES OMBUDSMAN SCHEME

Overall, the Financial Services Ombudsman Scheme received a total of 596 contacts made up of 221 complaint forms received and 375 enquiries during the year. This represents an increase of 151 more contacts compared to the previous year. As shown in the breakdown, case officers dealt with 81 more enquiries and 70 more complaint forms were received compared to numbers received in 2022/23.

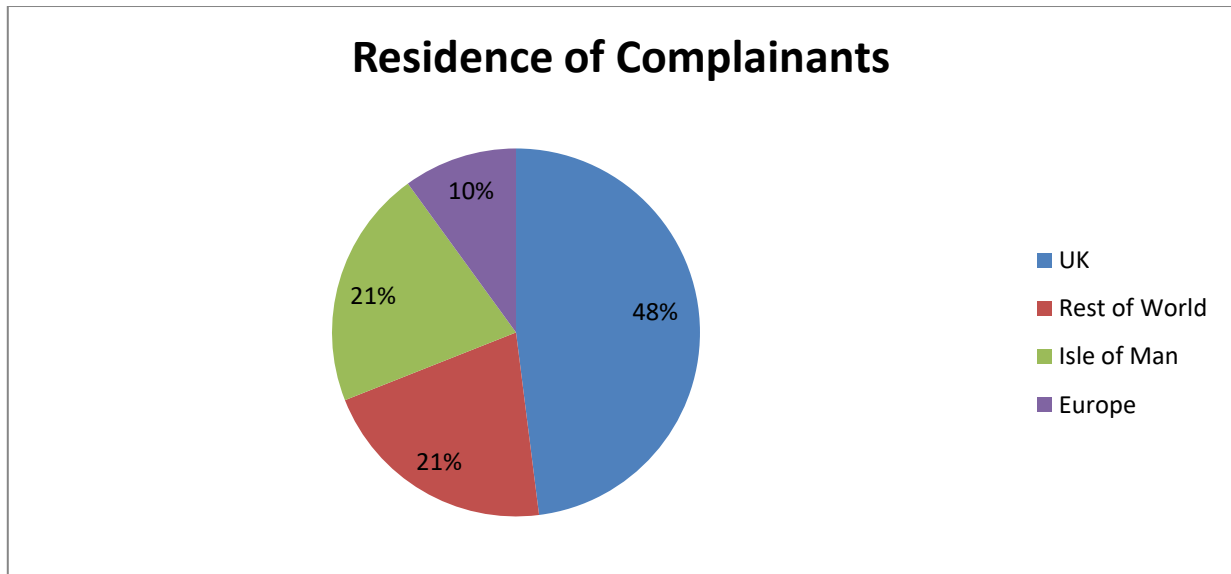
A 'complaint' is recorded when the Scheme receives a complaint form and the matter is investigated. In the case of an 'enquiry', a completed complaint form is *not* received, but some discussion may take place with the client regarding their concerns and further communication may be necessary.



Whereas previous years have seen similar volumes of complaints received against Life Insurance companies compared to Banks and Building Societies, in the 2023/24 fiscal year, 56% of complaints were received in relation to Life Insurance companies compared to 35% against Banks and Building Societies. In 2023/24, these two provider types together represented 91% of the total complaints received as detailed in the table below.

Type of provider complained about	2023/24	
	No	%
Life Insurance	124	56%
Bank/Building Society	78	35%
Insurance Intermediaries	7	3%
Investment Adviser	6	3%
General Insurance	4	2%
Not within definition of a financial service	1	0.5%
Unknown	1	0.5%
Total	221	100

Analysis of the country of residence of complainants gives an indication of the global nature of the financial industry on the Isle of Man. Whilst complaints from Isle of Man residents represented 21% of the total complaints received during the 2023/24 year, 48% of complaints received were from UK residents and 10% were received from European countries. The spread of the remaining 21% is worldwide, with complaints being received from the Middle East, America and Asia.



The role of the OFT is to mediate between the parties to a financial dispute, with a view to bringing about a settlement. By engaging with parties directly, it is possible to achieve a timely and satisfactory resolution. When mediation does not resolve a dispute, a complaint is referred to an Adjudicator. This is a more formal process, where submissions are considered and a legally-binding determination is issued to both parties.

As the majority of complaints are resolved through mediation, the numbers of complaints referred to an Adjudicator are low. During 2023/24, three cases were referred to adjudicators for determination. When finalised, a summary of the Adjudicator's decisions in each case are shared on the FSOS section of the OFT [website](#) along with previous determinations.

The Scheme's annual report for the year 2022/23 was published in July 2023 and can also be found on the OFT website [here](#). A full report on the activities of the Scheme during 2023/24 year will be published in July 2024.

OFT ACTIVITIES EQUALITY ACT 2017

The Isle of Man Equality Act 2017 seeks to provide a legal framework which protects individuals from discrimination in both the workplace and in the provision of goods and services. The Act protects individuals from discrimination on the basis of possessing a 'protected characteristic'.

The protected characteristics are:

- Gender reassignment
- Marriage & Civil Partnership
- Race
- Religion
- Sex
- Sexual Orientation
- Pregnancy & Maternity
- Age
- Disability

Where a person feels they have been discriminated against in relation to the provision of goods and services, they can contact the OFT whose officers can advise what the law is so that the individual can determine if they think they may have a claim under the Equality Act. The OFT offers help and advice on equality issues arising in goods and services, public functions, associations and premises on the Isle of Man.

Ultimately, a complaint can be referred to the [Employment and Equality Tribunal](#) but, if both parties agree, the OFT may conciliate in specific circumstances. Please note, however, that proceedings on a claim must be brought to the Tribunal within six months of the act to which a claim relates. This time limit is not suspended by ongoing conciliation.

During 2023/24, the OFT received 12 complaints where it was claimed that there had been discrimination in regards to the following protected characteristics:

Disability	6 complaints
Age	3 complaints
Race	1 complaint
Sex	2 complaints

One further complaint was made in regards to discrimination in the workplace and the individual was referred to the Manx Industrial Relations Service (MIRs).

OFT ACTIVITIES

COMPETITION AND MARKETS

The Competition Act 2021 was given Royal Assent in October 2021. Considerable work was undertaken during 2023/24 to produce the secondary legislation which is essential for the Competition Act to come into effect. A consultation took place from December 2023 to January 2024, which invited responses from stakeholders and this was used to further develop the secondary legislation.

It is the aim to have the Act fully effective during 2024. Part 2 of the Fair Trading Act 1996 will be replaced by the Competition Act 2021 and this will provide a modern competition framework, bringing the Isle of Man in line with UK and EU standards. This will grant the OFT improved powers when dealing with anti-competitive practices and abuse of dominant market position, as well as the ability to assess the impact of potential mergers to protect the economy and consumers.

International fuel prices were more stable during 2023/24 than in preceding years. This has been reflected in both the prices at the pumps and the price of oil domestic heating, where prices have been steady throughout the year. However natural gas and electricity both experienced declines in prices to the benefit of consumers. The OFT has continued to monitor markets to ensure consumers are not being exploited.

The publication of domestic heating, road fuel and air & sea travel continue to be published on a monthly basis and is available on the [OFT website](#).

The domestic heating publication now includes data illustrating the costs consumers are likely to pay for different fuel types fuels based on average annual consumption. There is also additional information including how the level of efficiency of a boiler and heat pump affects usage and consumers bills. These additional tables hopefully provide consumers with a useful comparison between the costs of alternative fuels for home heating.

Over the course of the year, the OFT has dealt with a variety of complaints ranging from the prices of veterinary services, to the supply of cannabis for medicinal use. The OFT will continue to work to protect consumer interests and will have more tools available when the 2021 Competition Act comes into effect.

SUMMARY OF OFT ACTIVITIES

Trading Standards	<p>Consumer Protection including:</p> <ul style="list-style-type: none"> • Weights and measures (including maintenance of the Manx Standards) • Safety of consumer goods (e.g. toys, electrical goods, furniture and furnishings) • Rogue traders • Age-restricted sales • Timeshare • Cinematograph exhibitions • Shop opening hours • Price marking • Intellectual property • Tobacco advertising • Trade Descriptions • Auctions • Unsolicited goods & services • Misleading prices • Misleading advertisements <p>Registration:</p> <ul style="list-style-type: none"> • Estate Agents • Architects • Suppliers of video recordings • Moneylenders <p>Licensing:</p> <ul style="list-style-type: none"> • Non-resident traders • Chapmen • Dangerous goods (safe storage of fireworks on retail premises) • Dangerous goods (safe storage of petrol)
Consumer Advice & Debt Counselling	<p>Consumer Advice Debt Counselling Consumer education</p>
Ombudsman (Financial) Services	<p>Financial Services Ombudsman Scheme:</p> <ul style="list-style-type: none"> • Mediation of cases • Adjudication of cases by Adjudicators (independent of the Office) <p>Advise and assist individuals in resolving complaints concerning alleged contraventions of the Equality Act 2017</p>
Competition & Markets	<p>Investigations under the Fair Trading Act 1996 into alleged anti-competitive practices and prices of major public concern</p> <p>Monitor prices, trading practices, consumer issues and consumer concerns</p>
Board & Office Support Services	<p>Services to the Board Corporate governance Financial management Business planning Administration Legislation</p>