

ABERDEEN CITY COUNCIL

COMMITTEE	Communities, Housing, and Public Protection Committee
DATE	5th September 2023
EXEMPT	No
CONFIDENTIAL	No
REPORT TITLE	Establishing a Trusted Trader Scheme in Aberdeen City.
REPORT NUMBER	RES/23/272
DIRECTOR	Steven Whyte – Director Resources
CHIEF OFFICER	Mark Reilly, Chief Officer – Operations and Protective Services
REPORT AUTHOR	Graeme Paton
TERMS OF REFERENCE	1.1.2 and 1.1.5

1. PURPOSE OF REPORT

- 1.1 The Committee is asked to approve the creation and operation of an Aberdeen City Council Trusted Trader Scheme (ACCTTS) overseen and controlled by Aberdeen City Council Trading Standards Service (TS), with back-office and administrative functions provided by Trader Directory Services (TDS).

2. RECOMMENDATION(S)

That the Committee:

- 2.1 Approves the creation and the operation of ACCTTS.
- 2.2 Approves that the scheme is funded by members' annual subscription fees of £200, which would be split between TS and TDS to cover their respective costs, as set out in paragraph 3.10 below.
- 2.3 Approves the creation of an incentive scheme to encourage membership whereby the first 10 businesses to apply and be granted membership will be offered a discounted rate of £130+VAT for the first year by Aberdeen City Council waiving our £70 portion of the full membership fee.
- 2.4 Instruct the Chief Officer – Operations and Protective Services to report back to the Committee in 12 months on the effectiveness of the ACCTTS against the aims of the scheme.

3. CURRENT SITUATION

- 3.1 The Home maintenance and improvements market is one of the most difficult consumers must navigate and it can be difficult to separate out the reliable, professional businesses from the rogue traders. The fact that this market consistently generates high levels of complaints to TS demonstrates this is an ongoing issue for consumers.
- 3.2 Currently, if a householder wants to find a business to carry out often expensive work at their property, they rely on an array of methods to find a business to contract with. These range from the very often reliable sources of their own previous experiences, the recommendations of family and friends to the hit and miss of adverts in the Yellow Pages, Social Media posts, online reviews, or simple flyers through the letterbox. The lack of useful information often leads to either bad choices or a reluctance on the part of consumers to enter the market, which is bad news for good businesses.
- 3.3 With the aim of redressing this situation for the benefit of consumers and businesses, it is proposed that a Trusted Trader Scheme is set up within Aberdeen City. This will provide consumers with a list of local businesses who have applied to join the scheme and agree to be vetted by Trading Standards to confirm that they are aware of their rights and responsibilities – and those of the consumer. The intention is that this will lead to increased consumer confidence through access to trusted traders, with the benefit to those traders of an increase in market size and business opportunities.
- 3.4 The ACCTTS will initially encompass the home improvement market only. If it is successful, it may expand to include other market sectors.
- 3.5 Although this would be a non-statutory function, there are benefits for those involved. These include:
- Consumers – they will have a go-to list of traders that have a proven track record and have been vetted by Trading Standards.
 - Businesses – will know that they are fully compliant with relevant Trading Standards legislation, and they will also have a customer base open to them that they would not have had previously.
 - Trading Standards – we will have a dialogue/ relationship with local businesses, who we would not necessarily had before, we can monitor businesses that have been unsuccessful in their application and so have a greater knowledge of small local business than before.
 - Reduced burden on TS as TDS will deal with complaints/enquiries about member businesses.
 - There are also economic benefits of consumers using local business.
- 3.6 Each year TS receives approximately 190 complaints from residents relating to services such as:

- Building works
- Glazing
- Roofing
- Heating installation and repairs
- Fitted kitchens and bathrooms
- Gardening and Driveways services

3.7 Providing advice and conducting investigations into these complaints requires a significant amount of time and resources from TS. This scheme has the potential to prevent these complaints so reducing the workload on the team.

3.8 **Aberdeen City Council Trusted Trader Scheme**

The reasons for setting up ACCTTS are:

- Increase engagement between Trading Standards and local businesses operating in this problematic market, leading to improved levels of compliance with trading standards and consumer protection law amongst participants
- Increase consumer confidence in the home improvements market leading to more opportunities for businesses listed as a Trusted Trader to attract customers and increase turnover
- Allow businesses to reference their membership of ACCTTS in their business advertising
- To protect consumers from bogus callers, potential detriment, and general doorstep crime.

3.9 **Costs**

As stated above, TS will work in partnership with Trusted Directory Services (TDS) to deliver the ACCTTS. There is already in place an agreement between ACC and TDS whereby TDS will carry out all back-office, administrative, and membership monitoring functions of the scheme, freeing up TS staff to concentrate on the vetting of member businesses. Full details on how the scheme operates, how businesses sign up, how a consumer submits a review, the other local authorities who operate these schemes through TDS, etc, can be found at <https://www.trustedtrader.scot/>

3.10 Costs will be recovered by the annual membership fee of £200+VAT, which is split between TDS and TS, with TDS receiving £130 of this fee and TS getting £70.

3.11 **Applying for Membership**

TDS will be the first point of contact for traders wishing to join the scheme. City businesses will submit their application for membership through the to-be-created ACCTTS website, which will be maintained by TDS as part of their back-office service, or through the SCOTSS (Society of Chief Officers of Trading Standards in Scotland) website at <https://approvedtrader.scot/>, including the payment of their membership fee. Their application is processed by TDS and passed to TS to begin the vetting process. Police Scotland will also have a role in vetting prospective members and the mechanics of how that is done is currently under discussion.

3.12 **Vetting and ongoing monitoring of members**

Applicants will have to meet predetermined criteria for joining the ACCTTS and follow a Code of Practice, which will be provided to them before they apply. This includes agreeing to be vetted by TS staff. Once this vetting process has been completed, and with any remedial steps having been taken by the business, they will be added to the list and be able to use this status in their business advertising.

- 3.13 As part of the ongoing monitoring process, customers are asked to provide reviews of the work carried out by a scheme member. A minimum number of two reviews must be submitted each year by customers in relation to each member to retain their membership. If this limit is not reached the member in question will be contacted and advised accordingly.
- 3.14 Once contracted work has been completed, the customer will be given the opportunity to leave their review on the quality of the work and their interactions with the member, which is submitted to and studied by TDS. Each review will be published on the Trusted Trader website which prospective customers can read, helping them make an informed decision on who to contract with. All reviews are subject to moderation before they are published on the website. Negative reviews are thoroughly investigated. A member can also leave a single statement at the end of the review. Although this is a web-based platform, there is a dedicated call line to assist more vulnerable residents or those without internet access.
- 3.15 The final decision on whether to admit an applicant to the ACCTTS lies with TS.
- 3.16 **Resolving Complaints/Disputes**
TDS provide civil advice should they receive a query or a complaint from a consumer about a ACCTTS member. TS will be notified by TDS of all such communications from consumers. Where complaints arise, TDS can intervene to resolve the matter with or without the help of TS. Where no resolution can be agreed, [Kent County Council Alternative Dispute Resolution Scheme \(ADR\)](#) will be available as an independent arbiter who can, with the agreement of both parties, provide a final adjudication on the complaint. This is an alternative to the costlier option of raising civil court proceedings.
- 3.17 This has the additional benefit of removing this advice and intervention requirement from TS, unless there is a criminal element that falls within the TS statutory duty to investigate.

3.18 Marketing and Promotion

The initial launch of ACCTTS will be co-ordinated through the Aberdeen City Council Media Team. The scheme will also be promoted by TDS, colleagues in City Growth using their business contacts, through social media, and by SCOTSS through their general promotion of Trusted Trader Schemes operating throughout Scotland. If the advice is that we need a targeted media campaign to launch the scheme, there is £2000 in the TS Advertising budget that can be used for this purpose.

- 3.19 Ongoing marketing will be done through TDS, SCOTSS, and ACC Media. Discussions have also taken place with colleagues in City Growth who will add ACCTTS to their communications with the business community.

3.20 Trusted Trader Across Scotland

More than half of Scotland's local authorities operate approved trader schemes through their Trading Standards Service, with Moray Council now in the process of joining. The members of these schemes can be found on the directory of members at <https://approvedtrader.scot/>

4. FINANCIAL IMPLICATIONS

- 4.1 The main cost for TS is in terms of officer time. The most labour-intensive part of the process is the vetting of each application. TS staff will meet the trader face-to-face, and check paperwork/websites etc. for compliance. It is anticipated that this will take 4 hours per applicant.
- 4.2 In the longer term this preventative scheme would reduce burden on TS as traders with poor reputations would need to improve their performance/customer relations to attract business. This would result in fewer un reputable traders in the marketplace and fewer complaints for TS to deal with.
- 4.3 Cost to consumer is zero. Trader membership is £200 + VAT per year, as explained above in paras 3.4 & 3.5.
- 4.4 If the incentive to join the ACCTTS is adopted, TS will waive our proportion of the membership fee for the first 10 applicants who are subsequently granted membership. That would mean foregoing £700 in potential income.
- 4.5 Access to the Kent ADR Scheme will attract no cost to TS or the consumer but will cost a modest sum of £30 to the trader.

5. LEGAL IMPLICATIONS

A contract has been agreed with TDS to provide the platform and back-office administration of the ACCTTS.

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 There are no direct environmental implications arising from the recommendations of this report.

7. RISK

The assessment of risk contained within the table below is consistent with the Councils Risk Appetite Statement

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	No significant risks identified		L	Yes
Compliance	No significant risks identified		L	Yes
Operational	The risk is the scheme creates a demand for TS officer time.	This is to be expected in the short term. The set-up of the scheme will involve officers vetting potential members, and it is anticipated that the majority of this vetting work will be when the scheme first opens for members. This initial short-term demand will pass as businesses join.	L	Yes
Financial	The risk is the scheme does not become self-sustaining.	There is no commitment to support the scheme going forward over and above the need to promote the launch. The TS budget has £2000 allocated for advertising which will be used for this purpose.	L	Yes
Reputational	The risk of the scheme not being used by either	Officers will work with colleagues from City Growth and the Media Team, as well as SCOTSS and TDS to	L	Yes

	traders or residents, and the scheme fails.	ensure the scheme is widely publicised. No such scheme has failed in Scotland, as far as we are aware.		
Environment / Climate	No significant risks identified		N/A	Yes

8. OUTCOMES

8.1 The aims and outcomes of the scheme are:

- Increase consumer confidence.
- Promote legal compliance and good practice within local businesses.
- Help to protect residents from doorstep crime.
- Provide an official list of traders, helping consumers find honest and reliable traders
- Reduce the demand on TS in dealing with complaints about member businesses.

<u>COUNCIL DELIVERY PLAN 2022-2023</u>	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p>The proposals within this report support the delivery of the following aspects of the policy statement:-</p> <p>Seek to make Aberdeen Safer City</p> <ul style="list-style-type: none"> • Promoting confidence in the householder when they are choosing a tradesman to work in their home.
<u>Aberdeen City Local Outcome Improvement Plan 2016-26</u>	

<p>Prosperous Economy Stretch Outcomes</p>	<p>The impact of this Trusted Trader Scheme meets the overarching ends of the Prosperous Economy section of the LOIP because it is primarily aimed at increasing consumer confidence in a problematic sector of the economy. If this is successful, it should increase market demand and increase business opportunities for reputable businesses, particularly those who are members of the scheme.</p> <p>The scheme empowers consumers to make informed decisions when contracting with traders within the home improvements sector by providing access to a list of local businesses who have been vetted by TS. This vetting process promotes regulatory compliance so that member businesses are fully aware of their rights and responsibilities when contracting with customers.</p> <p>With higher levels of consumer confidence comes increased demand and more business opportunities for scheme members.</p> <p>These consumer informed choices will also reduce the risk of having to carry out equally expensive remedial action where a job goes wrong. And if it does, contracting with a scheme member means that the consumer has a dispute resolution mechanism to fall back on.</p> <p>With better information on reliable, compliant businesses, consumers will be more confident in entering a market they may previously have been wary of.</p>
<p>Prosperous People Stretch Outcomes</p>	<p>Not applicable</p>
<p>Prosperous Place Stretch Outcomes</p>	<p>Not applicable</p>

<p>Regional and City Strategies</p>	<p>Trusted Trade Schemes were promoted as a scam prevention tool in the Scottish Government’s 2021 Scams prevention, awareness, and enforcement strategy.</p> <p>https://www.gov.scot/publications/scams-prevention-awareness-enforcement-strategy-2021-2024/</p> <p>Developing our own ACCTTS adds to the network of such schemes in Scotland and the aims of the SG’s strategy on scam prevention.</p>
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9. IMPACT ASSESSMENTS

<p>Integrated Impact Assessment</p>	<p>Stage 1 Completed. Stage 2 Not Required</p>
<p>Data Protection Impact Assessment</p>	<p>DPIA assessment completed.</p>
<p>Other</p>	<p>None</p>

10. BACKGROUND PAPERS

None

11. APPENDICES

None

12. REPORT AUTHOR CONTACT DETAILS

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