



Northern Ireland
Assembly

**COMMITTEE FOR
ENTERPRISE, TRADE AND
INVESTMENT**

**OFFICIAL REPORT
(Hansard)**

**Unsolicited Services (Trade and Business
Directories) Bill**

4 March 2010

Mr Hinds (Department of Enterprise, Trade and Investment):

Good morning. Thank you for affording us the opportunity to update you on our earlier briefings on the proposed unsolicited services (trade and business directories) Bill.

I am head of consumer affairs, and my colleague Phillip McClenaghan is from our legislation unit. As the Committee will be aware, the Department has kept it fully informed of progress since the Department's original proposals emerged in May 2008. The most recent letter from the Minister issued to the Committee on 8 February. At its meeting on 25 February, the Executive agreed that the Bill should be introduced in the Assembly, and we plan to do so around 22 March. The Secretary of State has given his consent to the consideration of the Bill by the Assembly, and we received that on 24 February.

Essentially, the Bill will bring Northern Ireland law into line with that in GB and ensure compliance with article 9(1) of the European Community's e-commerce directive. The Bill is a technical, non-controversial measure. It will re-enact, with technical amendments, certain provisions of the Unsolicited Goods and Services (Northern Ireland) Order 1976. Those provisions control the circumstances in which businesses may be charged for the publication of entries about them in directories. As I agreed with the Committee in December 2008, the Department took steps to specifically offer additional briefing to the Northern Ireland Chamber of Commerce, the Northern Ireland branches of the Institute of Directors, the Federation of Small Businesses and the Confederation of British Industries during the consultation process. None of those organisations had any concerns with the proposals and welcomed the Bill.

The Bill is intended to enable businesses to improve efficiency by relaxing and simplifying arrangements for repeats and renewals of directory entries, arrangements for sending order forms electronically and requirements covering the form and content of invoices and other documents. The Bill will update the law to reflect the modern and commercial realities of the directory publishing industry, while ensuring that the legislation continues to provide protection for businesses against a number of scams. I welcome any questions that Committee members might have.

The Chairperson:

Thank you for your presentation. This is fairly straightforward legislation. Am I right in saying that it arises out of the fact that electronic communications have moved on and that it is an

attempt to catch up with the pace of change?

Mr Hinds:

That is right. It also reflects the fact that corresponding legislation was enacted in 2005 in GB. We have been meaning to bring the Bill forward. It has not been a high priority, given the small nature of the business directory sector in Northern Ireland, but it is has been on the stocks. It will bring the law in Northern Ireland up to date, and it will fulfil our European obligations.

The Chairperson:

It is at one with the European directive.

Mr Hinds:

Yes.

The Chairperson:

Have there been any complaints about the problem that the Bill seeks to address?

Mr Hinds:

Last month, our colleagues in the Trading Standards Service, in conjunction with the PSNI, issued a press release about Yell's trade directory publication. In that instance, businesses and individuals were being targeted by fraudulent invoices. That, therefore, brings to the public notice the fact that scams continue to affect businesses and consumers in Northern Ireland. The protection that the Bill affords will help in some way to curtail those activities and continue to protect businesses against those types of scams.

The Chairperson:

The company or the person who is charging has to give particulars in relation to the amount that will be charged. It has to give written notice, which provides the name of the directory or the proposed directory; the name of the person or firm producing the directory; the address; and the price at which the directory is offered for sale.

Mr Hinds:

That is correct.

The Chairperson:

Those rules must be complied with in order to administer a charge. Is that correct?

Mr Hinds:

That is correct. It helps to ensure that the whole process is transparent and that the business knows what it is getting up front. If those rules are not complied with, businesses will know to be suspicious of any attempts to elicit money from them.

The Chairperson:

The idea is to locate the firm or individual, so that it is not something out in the ether. It is important to pin down the firm or individual who is responsible for the proposed directory.

Mr Hinds:

That is correct.

Mr Moutray:

I am not sure whether I heard all the points. Very few copies of some directories are, in fact, distributed. Can that be tightened?

Mr Hinds:

The Bill will force any organisation that is trying to promote a directory to include information on the number of copies of the directory that will be published and details on how they will be distributed. That will be covered by the Bill.

The Chairperson:

That allows the purchaser to know how valuable the directory is and how widespread its distribution will be.

Mr Hinds:

That is correct.

Mr Butler:

How widespread are the scams? In February, the Office of Fair Trading had its scam awareness month. Some of the figures in Britain are alarming. How bad is it here?

Mr Hinds:

Scams represent quite a range of activity. The Bill relates only to trade directories. In the wider picture, scams affect a number of businesses and consumers. Our colleagues in the Trading Standards Service have a raft of legislation that allows them to pursue individuals involved in scams.

We use the media proactively to warn consumers and businesses about specific scams. I mentioned the Yell directory scam. We try to discover which countries those scams come from so that businesses can be wary of communications that emanate, for example, from Holland or some other source. We work closely with the PSNI's organised crime branch to ensure that businesses know the particulars of such scams.

Mr McHugh:

I can see the benefits of the Bill. By how much will it reduce scams and unsolicited emails? The Government's computerised systems are protected, but many businesses could employ someone full-time to wipe out the rubbish that appears on computer screens. People have to make enormous efforts to beat back all that rubbish, some of which is very dangerous. People at home can get threatening letters and all sorts.

Mr Hinds:

The Bill is directed at businesses, not consumers. It is designed to afford some protection to the business community. In that regard, we recognise that it may be difficult, particularly for small businesses, to be alert to scams and fraudulent claims. We acknowledge that, as part of the Bill's implementation process, we will have to focus on informing and educating the business representative bodies to ensure that owners of small businesses and their employees know what to look out for.

Mr Campbell:

I notice that a number of organisations had no comments to make. I presume that that is because they are content. There does not seem to be anything untoward or controversial in the Bill. Have there been any responses from businesses saying that the Bill is fine, but that they have proposals to make about dealing with untoward contact or unsolicited services? Have any businesses made representations of that sort?

Mr Hinds:

No. We discussed this proposed Bill with the Committee back in December 2008. We took specific steps to talk to the business representative bodies. As well as the general consultation letter that is normally sent to a wide range of interested parties for any proposed legislation, we crafted slightly different letters to send to the business representative bodies on the foot of the interest expressed by the Committee and the likely effect that the Bill would have. We followed up that letter with telephone calls and offered additional briefings, so that businesses would be well aware of the Bill and its consequences. However, they all felt comfortable with the Bill's proposals and the protections that would afford them. The exception was the Federation of Small Businesses, which wrote to say that it welcomed the Bill and had no other issues to discuss with us.

Mr Campbell:

I am happy enough with that answer, but I have had contact with a number of people who have told me about the nature of the scams to which they have fallen victim. I concur fully with what they said: they are not content just to delete the emails or resist the scam. They want private business to come up with something that could target the scammers. Rather than just avoid being caught out, they want to devise a system that would not only ensure that the scammers did not make a profit but would cost them money.

Obviously, that has nothing to do with the Bill, but I just wondered whether private businesses had ever made any representations along those lines, beyond simply trying to protect people by making it more difficult for scammers to operate in the future? Is there some way of ensuring that scams cost the scammers money rather than make them a profit?

Mr Hinds:

I am not aware of any such suggestions from the business community. Our colleagues in the Trading Standards Service work very closely with the business community in enforcing a wide range of consumer protection legislation. In that sense, there is a good working relationship and, as I said before, we are proactive in trying to warn people about specific scams. We describe what they will look like and the sort of contact that the business might receive from a prospective scammer. As Mr Butler mentioned, during scams awareness week we engaged in a wide range of activity to make the issue of scams as high profile and as visible as possible.

The Chairperson:

Thank you. It would be helpful if the Committee were to receive a full list of the consultees.

Mr Hinds:

Certainly.

The Chairperson:

Then we will proceed to deal with the legislation in the normal fashion. Thank you very much for coming along. It has been very helpful.