

Committee for Enterprise, Trade and Investment Report on the Consumer Rights Bill Legislative Consent Motion (LCM)

Powers

1. The Committee for Enterprise, Trade & Investment is a Statutory Committee established in accordance with paragraphs 8 and 9 of the Belfast Agreement, Section 29 of the Northern Ireland Act 1998 and under Assembly Standing Order 46. The Committee has a scrutiny, policy development and consultation role with respect to the Department for Enterprise, Trade & Investment and has a role in the initiation of legislation.
2. The Committee has power to:
 - Consider and advise on Departmental Budgets and Annual Plans in the context of the overall budget allocation;
 - Approve relevant secondary legislation and take the Committee stage of relevant primary legislation;
 - Call for persons and papers;
 - Initiate inquiries and make reports; and
 - Consider and advise on matters brought to the Committee by the Minister for Enterprise, Trade & Investment.

Background

3. The Draft Consumer Rights Bill was published in June 2013. The Bill is intended to make markets work better and reduce the regulatory burden for business. The Minister wrote on 31st December 2013 to update the Committee on progress of Rights Bill. Included at Appendix 1 is the Minister's correspondence and summary of the draft Bill.
4. The Minister informed the Committee that part three of the bill consolidates powers of consumer law enforcers (including DETI Trading Standards Service) to investigate breaches of consumer law,, which are currently contained in around 60 pieces of legislation. It will also enable consumer law enforcers to ask the civil courts to require traders to compensate consumers where they have breached consumer law. The legislation will provide faster and lower cost redress for consumers and businesses where there have been breaches of competition law. Although competition law is reserved to the Westminster Parliament, consumer law is a transferred matter. As the Bill is concerned with amending or extending existing UK-wide consumer and competition legislation, the Northern Ireland policy responsibility lies primarily with the Department of Enterprise, Trade & Investment.

Committee Consideration

5. The Committee considered the update from the Minister at its meeting on 16th January 2014. The Committee wrote to the Department to ask for details of the rationale for bringing the legislation through a Legislative Consent Motion rather than legislating in the Northern Ireland Assembly.
6. Members considered a response from the Department at the Committee meeting of 6th February 2014 (Appendix 2). The Department informed the Committee that the proposed approach would be of more benefit to consumers than introducing separate legislation through the Assembly. As the Bill's provisions cover both reserved and transferred matters, any Northern Ireland legislation could only replicate the parts of the Bill that fall in the transferred field. This would result in Northern Ireland consumers having rights relating to competition policy in one piece of legislation and rights relating to consumer policy would be contained in separate legislation. The Department believes this would lead to confusion for consumers here. And would undermine one of the principal aims of the Bill to have all consumer rights in relation to goods/services as far as

possible within one statute. The Committee agreed to receive an oral briefing from the Department on the matter.

7. The Committee received an oral briefing from the Department at its meeting on 20th February 2014. The Hansard of the briefing is included at Appendix 3. Departmental officials informed the Committee that this is an opportunity to consolidate legislation where, until now, there have been differences. The problems facing consumers and businesses across the UK are consistently the same. The Bill will clarify how consumers can get redress when purchasing goods or services. In relation to digital content there are currently weaknesses in relation to downloaded content. The Bill will rectify this. It would require a large amount of work to bring Northern Ireland legislation. This would effectively be a replication or duplication of what is in the current Bill and would result in a confused environment for businesses and consumers. The effect of the change to the legislation itself is quite minor. It is a very technical piece of consumer legislation. There has been large-scale consultation across the UK with businesses, trade associations and trading standards authorities on exactly what it will mean. A lot of effort has been made to evaluate the impact. Presentations and public forums were held in Northern Ireland. The Consumer Council has welcomed the Bill and has not identified anything different from or peculiar to the needs of businesses or consumers in Northern Ireland. Following the oral briefing, the Committee agreed to receive the views of the Consumer Council on the Bill.
8. The Committee considered a briefing from the Consumer Council at its meeting on 27th February 2014 (Appendix 4). This included correspondence to the Committee Chair and a copy of the Consumer Council response to the Department of Business Innovation and Skills consultation. The Consumer Council stated that, the organisation supports the Bill and welcomes the intention to simplify and clarify the law for consumers. It believes that, although the current provision is generally good, there are some aspects which are complex for consumers. Consolidation of the legislation should help to clarify consumers' rights and responsibilities. The Consumer Council advocates an effective information campaign to ensure that consumers are aware of the rights and remedies available. The Consumer Council informed the Committee that it will work to ensure any specific issues facing Northern Ireland consumers are identified and considered.
9. Having considered the evidence, the Committee agreed to support DETI in seeking the Assembly's agreement to the UK Parliament considering provisions of the Consumer Rights Bill relating to consumer policy.