



The Consumer and Brexit - Regulation and Regulators: are we worried?

Doing Regulation Right

In 2012 we launched our Consumer Charter for Regulators, which set out what consumers should reasonably expect from regulators. The National Consumer Federation (NCF) had worked with Which? and Consumer Focus to pinpoint four main areas of concern:

- The legal framework and governance underpinning the regulator's activities and the core attitude, processes and approaches it takes to ensure that consumer interests are at the heart of all it does.
- A regulator needs to understand what good looks like for consumers in the markets it regulates. This should include product and service quality, effective choice, fairness in trading and marketing, protection from harm and access to redress.
- A regulator needs to be alert to risks of consumer detriment and create the right incentives so that the market works well for consumers. Where bad practice occurs, a regulator must act quickly and effectively to minimise consumer detriment and reduce any adverse impacts, both for responsible businesses and others.
- A regulator needs to be transparent and accountable – it should work openly, using language that ordinary people can understand.

As far as evaluating their effectiveness, we already have a model for that -comparing the work and effectiveness of different regulators. Consumer Futures (now sadly no longer in existence) built upon their reports (*Rating regulators 2008 and Tackling consumer vulnerability- regulators' powers, actions and strategies 2013*) to propose a research project to compare four regulators' approaches to consumer vulnerability. Now would be the moment to embed this in the process of establishing new bodies and reshaping the existing ones.

Post-Brexit Ballooning

Brexit Britain and our home-grown regulators will need our Consumer Charter and a consumer-led assessment process more than before. There certainly may be enough of them – The Times (1 August 2017) estimated that the “quango state” was going to balloon in number in an unprecedented way with up to 20 public bodies being created to do work currently done by the EU. This is the result of an exercise to



identify gaps in regulation post-Brexit. So there will be a huge need to instil and install best practice in many start-up bodies – all of whom will need to understand how best to reflect the consumer interest. Many of the existing ones like the CAA for example will have to reassume responsibilities for assessing, inspecting and licensing all airlines and aircraft flying in the UK

In addition to new institutions, there is going to be a lot of new or transposed law. The Great Repeal Bill, which will come into force on the day the UK leaves the European Union, is likely to have massive implications for regulation and the regulators. I quote from the recent book by Ian Dunt, *Brexit: What the hell happens now?* .

“Britain needs to create a regulatory system across swathes of the country's political agenda. Among many, many others it must somehow replicate the regulatory functions of agencies like...[a long list follows, which includes regulators such as the European Data Protection Supervisor, the European Research Council, the European Aviation Safety Agency, the European Food Safety Authority...] In some cases that will entail setting up regulators from scratch. In others it will mean bulking up the resources of British regulators which have grown scrawny from lack of use. As a project, this will require all the resources of a civil service already stretched to the limit by other aspects of Brexit.’

The Consumer Opportunity - Rebuilding Regulation

It seems essential that the consumer perspective be represented in any discussion of the future work and responsibilities for UK regulators. The main Regulators Consumer Panels are going to be vital here – they are best placed to do much of the detailed work needed. There is a double opportunity – to work with these Panels in a broad initiative to convince Ministers and the Civil Service that here is a great opportunity – namely to build or re-fashion British regulators in the interest of the consumer by adopting the principles and practice embodied in our Charter and framework for assessment.

NCF

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