

### A UK Strategy for Consumer Education?

There is currently no national strategy for consumer education either at a Scottish or UK level. While there are some instances of joint working, organisations concerned with the provision of consumer education work for the most part individually. As a result consumer education provision varies throughout the UK, which creates the risk of gaps or duplication of provision. As we have seen there has been movement at a UK level to establish a strategy for consumer education.

It has also been raised as a matter of concern that there has been an apparent lack of clarity over whether the responsibility for consumer education lies with Westminster or Holyrood. Jim Wallace MSP, Minister for Enterprise and Lifelong Learning, has recently written<sup>16</sup> that the Scottish Executive views consumer education as an aspect of consumer protection, which is reserved to Westminster under the Scotland Act 1998<sup>17</sup>. However, the definition of

consumer protection under the Scotland Act is fairly narrow, including for example, the sale and supply of goods and services, trade descriptions, consumer credit, price indications, and timeshares and package travel. Consumer education itself is not listed in the Act, and it could equally be argued that as the Scottish Parliament legislates on education and lifelong learning in Scotland, consumer education in both schools and the community is a devolved responsibility. This may suggest that a Scottish strategy for consumer education may be more appropriate to the needs of consumers in Scotland.

However, many of the issues encompassed by consumer education, such as financial services, are reserved to the UK parliament. Certainly, much of the provision of consumer education is currently undertaken by UK organisations, and a separate Scottish strategy may lead to unnecessary duplication and have less impact on policy makers at a UK level. Indeed it would seem that the issues facing consumers in Scotland in relation to consumer education are not that different from those in the rest of the UK.

### Conclusions

- SCC supports proposals for the establishment of a UK strategy on consumer education and has accepted a place on the OFT steering group, which is the likely vehicle for the development of consumer education in the UK.
- Although we support the creation of a UK-wide strategy we feel it is vital that any future strategy takes into account the differences in delivery required within a devolved UK. To these ends we will:
  - work to persuade the Scottish Executive that it has a key role to play in the development of consumer education, and argue that the Executive should be represented on the OFT steering group
  - work alongside our colleagues at our sister councils to agree on a common approach to consumer education that would take into account the differences in delivery required within a devolved United Kingdom.

<sup>16</sup> letter to Bill Casie, Chairman of Society of Chief Officers of Trading Standards in Scotland; dated 4 August 2003

<sup>17</sup> see Schedule 5, Section C7

## More Information

If you would like more information on the issues raised in this briefing please contact Andrew Pulford at the SCC office or email [apulford@scotconsumer.org.uk](mailto:apulford@scotconsumer.org.uk).

### THE SCOTTISH CONSUMER COUNCIL

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The web site gives free access to all our reports, campaigns and policy work in progress. SCC reports in printed formats are available from our office at the address below. We are often able to make our publications available in alternative formats. Please contact us for details.

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# Scottish Consumer Council Briefing

## Consumer Education in Scotland

*Office of Fair Trading (OFT) figures published in 2000 estimated that consumer detriment resulting from poor goods, services and advice was costing British consumers around £8.3 billion per year. The OFT also estimated that a welfare loss of £1 to a consumer on half the national income may have the same significance as a loss of £2.50 to a consumer on the average national income. Therefore, it can be seen that consumer detriment impacts disproportionately on low-income consumers. Department of Work and Pensions figures from 2000/01 show that in Scotland the percentage of individuals living in households below 60% of the median income was 19%<sup>1</sup>. This is slightly higher than the UK average of 17% and indicates that around one fifth of Scottish consumers may suffer disproportionate detriment from poor quality goods and services. Better education for consumers has been acknowledged as one method of reducing consumer detriment.*

Consumer education is a top priority in the Department of Trade and Industry (DTI) white paper *Modern Markets: Confident Consumers* (1999). More recently the Trading Standards Institute (TSI) published *Consumer Education in the UK* (2003), which recommended that consumer organisations in Great Britain should come together to develop a consumer education strategy for the UK. This view has been echoed by the National Consumer Council (NCC) who, in *Consumer Education: Beyond Consumer Information* (2001), argue that the government should develop a UK strategy to promote lifelong consumer skills.

The Office of Fair Trading (OFT), which under the Enterprise Act 2002 now has statutory power to carry out educational activities, has set up a steering group to co-ordinate the provision of consumer education in the UK.

<sup>1</sup> Households Below Average Income Series; figures before deduction of housing costs

### THIS BRIEFING PAPER LOOKS AT:

- how consumer education should be defined;
- what are the potential benefits of consumer education;
- provision of consumer education in Scottish schools;
- provision of consumer education by Trading Standards departments in Scotland; and
- whether consumers in Scotland would be best served by a UK or Scottish strategy for consumer education.

### What is consumer education?

Consumer education is defined as being concerned with the skills, attitudes, knowledge and understanding necessary to become an effective consumer<sup>2</sup>. The TSI expands on this by stating that consumer education 'equips people to make discerning choices, to sort out problems effectively and to seek further information and help appropriately'<sup>3</sup>. The scope of consumer interest has widened from the traditional notion of individual interest to include other factors such as social and environmental issues.<sup>4</sup>

Consumer education can be taught as part of the school curriculum, as it now is in England and Wales, but it is important that it is also viewed as a part of lifelong learning. Consumers' rights will change over time, as will the provision of goods and services. Consumer education therefore must be seen as a continuing process that begins when an individual starts making decisions as a consumer and continues throughout his/her life.

### What are the potential benefits of consumer education?

There are a number of benefits which consumer education can be seen to provide to both consumers and the marketplace. The five key benefits that would arise from greater consumer education are<sup>5</sup>:

- driving competition in the marketplace through the high standards consumers set for goods and services;
- helping consumers make better choices in changing, often complex markets;
- minimising the cost of bad choices by seeking to prevent these decisions being made;
- bridging the power divide between consumer and business; and
- contributing to improved regulation as educated consumers are better equipped to provide feedback on legislation.

Consumer education builds on the basic skills of literacy and numeracy to enable consumers to manage information regarding products and services to make informed choices and become demanding consumers. Based on the findings of the International Adult Literacy Study in 1996, it is estimated that around one fifth of Scots lack basic literacy and numeracy skills<sup>6</sup>.

The findings of a recent Scottish Consumer Council (SCC) research report<sup>7</sup> suggested that Scottish consumers appeared to be generally just as well informed about their consumer rights as those elsewhere in Great Britain. However, the research also showed that low income consumers are less likely to feel well informed about their consumer rights, less able to get information or advice regarding goods or services, and were much less likely than others to feel they have cause to complain about goods or services. Respondents with no formal qualifications were also found to feel less informed about their consumer rights and less likely to complain about goods or services. The groups that stand to benefit most from consumer education are therefore among the most vulnerable in our society.

### Consumer education in Scottish schools

The partnership agreement for the new coalition government in the Scottish Parliament states that:

*We will reform the school curriculum, to ensure that the school experience equips our young people with the skills and values they need to live a healthy, productive and happy life in the modern world<sup>8</sup>.*

<sup>2</sup> www.ncc.org.uk

<sup>3</sup> TSI (2003) *Consumer Education in the UK*

<sup>4</sup> see for example the NCEP framework for consumer education

<sup>5</sup> NCC (2001) *Consumer Education – Beyond Consumer Information*

<sup>6</sup> [http://www.scotland.gov.uk/who/ellid/alt\\_faq.asp](http://www.scotland.gov.uk/who/ellid/alt_faq.asp)

<sup>7</sup> SCC (2003) *Knowledge of Consumer Rights in Scotland*

<sup>8</sup> Scottish Executive (2003) *A Partnership for a Better Scotland*



### Trading Standards provision of consumer education in Scotland

Trading Standards departments in Scotland may provide consumer education to some degree although this is not a statutory duty. Examples of consumer education provided by trading standards departments includes distributing information leaflets, promoting media coverage, and working with consumer and trade organisations, local interest groups and schools<sup>12</sup>.

Audit Scotland has recently undertaken an overview of trading standards services in Scotland that resulted in the report *Made to Measure?* (2002). The report found that while Trading Standards departments carry out valuable consumer education work, the service requires more financial resources and also a range of crosscutting material. Furthermore, under half had formal policies on consumer education<sup>13</sup>. As a result the level of consumer education can vary between local authorities and was found

to have the lowest service quality of all the work carried out by trading standards departments across councils in Scotland<sup>14</sup>. The report states that 'there is a strong case for councils looking at options to establish joined-up trading standards services'<sup>15</sup>.



Unlike England and Wales, Scotland does not have a statutory national curriculum. Instead it is the responsibility of local education departments and individual schools to decide how to implement and meet national guidelines. The National Priorities for Education, which were approved by the Scottish Parliament in 2000, fall under five categories: attainment and achievement, framework for learning, inclusion and equality, values and citizenship, and learning for life<sup>9</sup>. Consumer education is not mentioned explicitly under any of these headings although some of the outcomes relate directly to aspects of consumer education:

- increased levels of numeracy and literacy (achievement and attainment);
- ensuring that pupils are equipped with the necessary foundation skills, attitudes and expectations to prosper in a changing society (learning for life); and
- increased awareness of interdependence with other members of their neighbourhood and society and increased awareness of the duties and responsibilities of citizenship in a democratic society (citizenship).

Since September 2002 there has been a requirement on English schools to teach "consumer rights and responsibilities" as part of the new Citizenship subject on the national curriculum. There is no specific citizenship subject in Scotland as there is in England, however, guidance on education for citizenship has been published by Learning and Teaching Scotland that states that:

*Being a citizen is therefore, closely bound up with multiple roles that individuals have in society – as producers or consumers of goods and services, as contributors to economic and cultural development – as well as with various facets of each individual's personal, social and working life.<sup>10</sup>*

LT Scotland also recommends that rather than create a new "Citizenship" subject, education for citizenship should permeate existing subjects. This is a common view regarding consumer education and one that SCC has previously advocated.<sup>11</sup>

A number of developments relating to education for citizenship in Scotland are currently underway:

- the recommendations in the LT Scotland paper are currently being taken forward;
- LT Scotland are currently developing their citizenship website which will be on-line later this year;
- all local authorities now have an officer in post with the remit of education for citizenship; and
- a performance indicator for education for citizenship is due to be introduced during autumn/winter 2003.

<sup>9</sup> <http://www.nationalpriorities.org.uk/NPPF.html>

<sup>10</sup> LT Scotland (2002) *Education for Citizenship in Scotland: A Paper for Discussion and Development*

<sup>11</sup> SCC et al (1986) *Curriculum Guidelines for Consumer Education*

<sup>12</sup> Audit Scotland (2002) *Made to Measure?*

<sup>13</sup> Ibid

<sup>14</sup> Ibid.

<sup>15</sup> Ibid.