

**STATEMENT TO BE MADE BY SENATOR A. BRECKON  
ON TUESDAY 31st JANUARY 2012**

**Chairman of the Consumer Council: Statement about work of the Council**

As outgoing Chairman I wish to outline some of the issues that the Council have faced and place on record my thanks to those who have made valued contributions.

The Council has been fortunate to have members from a variety of backgrounds and organisations who have contributed significantly to the deliberations and achievements over the years.

The Council first met on 28th June 1995 and since then has met on more than 140 occasions. The voluntary time given by members during the existence of the Council to date exceeds 12,000 hours.

This is a considerable achievement and is a significant factor as to why the Council has worked – my sincere thanks to all those involved, especially Advocate Anita Regal who has represented the Jersey legal profession since the Council was established.

It is worth remembering that when the Council was established in 1995 there was:

- No competition Law or JCRA
- No Jersey Financial Services Commission
- No Fair Trading Law and other Legislation beneath it (although the States approved the Principle in 1992 – it was never carried through)

Newsletters have become well accepted by the Jersey Community with over 50 issues having been published since 1996 with each issue now delivered to over 40,000 Jersey residential addresses.

Legislation is still lacking in some basic areas,

Consumer Credit - presently a 'Code' exists – this was 5 years in the making  
Regulation of Estate Agents has had a Law Drafting Brief prepared by Economic Development but has not found favour.  
A rental deposit scheme has still not appeared after some 15 years

A Financial Ombudsman Service was one of the recommendations of the 'Edwards Review' in 1998. Although this generally found favour and was approved by a Finance & Economics Committee in 2002 it is still not on the statute book.

I took this to the States 4 or 5 times before Law Drafting Time was approved in 2009.

The Depositor Protection Scheme in Jersey came about from external pressure following the scenes over 3 years ago when savers queued in town and cities of the UK to withdraw their savings from the Northern Rock Building Society.

Consumer Legislation must be approached with a different outlook - on a can do and will do basis, because it does have benefits for the Island both internally and externally

So I believe that there is still much to do to 'apply pressure' to put some basic safeguards in place for consumer protection.

Jersey could, I believe learn a great deal from the Isle of Man which does have an OFT and a Financial Services Ombudsman and their version of CAB, along with Trading Standards and a Consumer Advice Service under one-roof this may be something cost effective for Jersey to work towards for mutual benefit.

The Council was established before Ministerial Government was on the horizon and there are some very real conflicts between Ministerial areas of responsibility and consumer interests. Ministers can NOT be both poacher and gamekeeper. It is not possible for some Ministers to say “maximise profits” from Jersey Post, Jersey Telecom, the Jersey Electricity Company and Jersey Water and increase fees, charges etc –for example for bus fares, parking charges etc and then claim to represent the ‘public’ or consumer interest.

What the “public interest” is has never been answered in this regard.

A question that has often been asked is “Is the Consumer Council Political?” – I would say “Yes when it has to be – some things are too important to leave to the politicians”

Since before the Council was established and to the present day the charging of U.K. equivalent prices, inclusive of Value Added Tax (VAT) and ferry services have, and still are very emotive issues. Having said that, VAT inclusive prices are still commonplace in the high street and are still problematic for those ordering or buying goods outside the Island for local delivery. Despite strong and targeted publicity campaigns the ‘overcharging’ is still going on. The ‘excuse’ is that Jersey is a more expensive place to do business, however this has never been either demonstrated or proven. The question may rightly be asked ‘which part of the UK is Jersey more expensive than?’ This is a subject that requires an in-depth ‘cost of doing business’ survey - Jersey vs. U.K.

Ferries travelling to and from the Islands for well over 40 years have been a very emotive issue for the community. Price, levels of service, reliability, different operators have all generated lots of public interest and will continue to do so for the foreseeable future.

**Goods and Services Tax (GST)** has become THE emerging issue with a 2% increase in June 2011 taking the tax to 5%. This has added to the price of many, already expensive goods – for example a 2% increase in GST added 12 to 15 pence per gallon (3p per litre) to the price of petrol. Basic foodstuffs and household bills have suffered from similar hikes. Each 1% of GST is estimated to collect £16 million in tax – therefore £80 million is collected annually at a rate of 5% - this I believe is having a detrimental effect on the local economy with disposable incomes reducing against high levels of inflation and taxation – a recipe for further downward economic impact.

It has been my pleasure to serve as Chairman of the Council since 1995, thousands of people have been in contact over those years raising all manner of issues and also I have received some terrific support from officers and Council Members for which I thank them most sincerely.

Also I have enjoyed a good working relationship for consumer benefit with ‘movers and shakers’ in the Community. Managing Directors of Utilities, Telecoms, Postal, Retailers, Supermarkets and many others, including States Departments have all responded to some consumer challenges – some more enthused than others – but I believe they have added to the work and contribution of the Council for which I thank them.

With Best Wishes to the new Chairman and all other Members of the Council who seek to serve in the Consumer interest in the coming years.