

Regulatory Committee

10.00 am, Monday, 1 May 2023

Trusted Trader Scheme Annual Report

**Executive/routine
Wards**

All

1. Recommendations

1.1 It is recommended that Committee notes the content of this report.

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Report

Trusted Trader Scheme Annual Report

2. Executive Summary

- 2.1 This report provides an overview of the Edinburgh Trusted Trader scheme. The scheme was introduced in Edinburgh to increase consumer protection by providing access to vetted traders who agreed to comply with agreed complaint resolution processes.
- 2.2 Following the changes to Council political management arrangements, which took effect from 17 April 2023, Committee terms of reference have widened to include the Council's Environmental Health and Trading Standards functions. This report is intended to increase elected member understanding of the services provided by Trading Standards.

3. Background

- 3.1 Trusted Trader aims to ensure that residents have access to traders who have been vetted by Trading Standards and display genuine verified customer feedback. If a customer does experience a problem, consumers have access to the Alternative Dispute Resolution (ADR) process, which is free and aims to avoid court action.
- 3.2 A Trusted Trader scheme was first developed by Dundee City Council in 2005 and is now operated in 14 Councils across Scotland. Edinburgh Trusted Trader was formed in 2015 as a result of recommendations stemming from the work undertaken to reform the Statutory Repairs scheme. The scheme's objectives are to increase consumer confidence, promote good practice within local business and help to prevent Doorstep Crime.
- 3.3 Consumers using the Trusted Trader scheme are asked to rate the trader and the Trusted Trader scheme as to whether they are likely to use them in the future. If a trader leaves the scheme, the reasons for leaving are recorded and used to improve the scheme to keep trader retention rates high.

Trusted Directory Services Ltd (TDS) is a commercial partner which oversees the operation of the Trusted Trader system. TDS administers the application process; the day-to-day management of the scheme; the trader reviews process; marketing of the scheme; and deals with any first line disputes/informal mediation.

4. Main report

- 4.1 The Edinburgh Trusted Trader scheme has grown since its inception, from 92 trusted traders in 2015 to 267 traders at the time of writing. The table below provides an overview of the current membership including new applications, feedback, resubscriptions etc.

Current no. of Trusted Traders	267
No. successful new applicants this year	30
No. of resubscriptions	204 (98%)
No. of refused applications in total	30
No. of agreed work requests	25,090
Estimated economic benefit to members/Edinburgh economy	£4,182,000 ⁱ
Estimated outcome/impact (scam prevention)	£788,184 ⁱⁱ

- 4.2 The scheme is primarily intended to provide consumer access to traders that they can trust, and therefore a key performance measure is the ongoing feedback provided by customers. The table below provides the breakdown of the feedback received since the scheme started. It is important to note that customers have to choose to provide feedback and the data will be a fraction of the business placed with these traders.

Feedback Ratings Received (since 2015)	15,632
5 Star Feedback	84.4 %
4 Star Feedback	11.0 %
3 Star Feedback	4.1%
2 Star Feedback	0.2%
1 Star Feedback	0.3%

- 4.3 The Trading Standards service also monitors those complaints about the traders that were not resolved, and which went to ADR to resolve disputes. Over the duration of the scheme there have been 11 ADR cases of which seven were resolved for the consumer and the remaining four for the trader.

Vetting of applicants

- 4.2 Officers periodically review the checks being undertaken to ensure that they remain robust and appropriate. By necessity, the checks are extremely thorough, but capacity within the Trading Standards Service to carry out this work must be balanced with other statutory duties and priorities. Current processing timescales are on average 10 weeks, although TDS has identified delays in some cases where the process has taken longer.
- 4.3 In an attempt to address these delays, the process has been streamlined as far as possible whilst keeping the standard of checks high. TDS now process some initial administrative checks on the Council's behalf, for example checking open source information. Thereafter, more in-depth vetting is carried out by Trading Standards staff in liaison with a range of other agencies including Police Scotland, the Advertising Standards Authority and the Health and Safety Executive. The new process is intended to reduce processing timescales to less than eight weeks for all new and renewal applications.

Fees

- 4.4 The fee to become an Edinburgh Trusted Trader is £220+VAT p.a., which compares favourably with other commercial schemes. Income from all membership costs is divided between TDS and the Council on a percentage basis. Resubscription rates are high (at 98%) for the current financial year.

Future developments

- 4.5 The Trading Standards Service has recently recruited a Grade 5 Enforcement Officer post to enhance support for the scheme and reduce the need to divert colleagues from other consumer protection/business support functions.
- 4.6 System improvements have been implemented, in conjunction with TDS, which provide additional monitoring facilities to ensure that traders are communicating with potential customers as expected. This followed feedback from TDS that the largest source of consumer complaints, against Trusted Traders, is when requests for quotes have gone unanswered. While this could be a result of the volume of quote requests which are received by some businesses, the new system builds in processes and reminders for traders where a request for a quote has gone unanswered.

5. Next Steps

- 5.1 If the report recommendations are approved officers will continue to monitor the operation of the scheme, and will provide further updates on an annual basis.

6. Financial impact

- 6.1 The scheme generates income as described at 4.6 above.

7. Stakeholder/Community Impact

- 7.1 Officers monitor customer and scheme member feedback and take action where appropriate.
- 7.2 Matters described in this report have no relationship to the public sector general equality duty, thus there is no direct equalities impact arising from this report.
- 7.3 There is no environmental impact arising from the contents of this report.

8. Background reading/external references

- 8.1 [Edinburgh Trusted Trader Website.](#)
- 8.2 [Edinburgh Trusted Trader Feedback Pages.](#)

9. Appendices

- 9.1 None.

ⁱ These calculations take into account the number of traders registered with the scheme, the number of estimated agreed contracts and the value of the average contracts agreed.

ⁱⁱ This figure is based on the number of traders registered with the scheme and a conservative average amount (£2,952) of financial detriment attributed to scams calculated by the National Trading Standards Scams Team.