



Chartered Trading
Standards Institute

UK International Consumer Centre Update (Second Quarter 2021)

Date: 4th August 2021

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Executive Summary

This report examines the data collected by the UK International Consumer Centre (UKICC) (formerly the UK European Consumer Centre) during the second quarter of 2021 (1st April to 30th June)

- over the second quarter of 2021, the UKICC received 292 cases alleging problems with UK traders
- in the same quarter the centre received 1924 cases where UK consumers alleged problems with non-UK traders
- transport related services (380 cases) and products for recreation (257 cases) continue to be amongst our most complained about areas. Accommodation services (135 cases) and Intermediary/agency services (198 Cases) also received high numbers of complaints
- 51% of cases received from UK consumers featured products bought online and 20% of those related to complaints about non-delivery
- the centre received 198 complaints against booking intermediaries where consumers were struggling to get refunds for cancelled flights
- 9% of cases were regarding businesses located outside of the EU
- the centre continues to build relationships and working agreements with non-EU countries
- the centre continues to receive a high level of customer satisfaction with 96% customer satisfaction received over the second quarter of 2021

Data Format

The data presented in this report is analysed to track existing trends in consumer detriment and also to identify new emerging trends within the consumer environment. The data can be separated into two categories:

- advice - these are cases recorded where a consumer makes an initial enquiry and is provided with advice on their rights and potential steps that they can take to try to resolve the complaint themselves
- assistance – these are cases where a consumer has tried to resolve their own complaint but has been unsuccessful and needs more help. These cases are recorded and then usually shared to other partner agencies (such as the European Consumer Centre Network) for contact to be made with the business on behalf of the consumer.

Consumer cases - those cases where a UK consumer has experienced a problem with a non-UK trader

The report looks primarily at cases from UK residents seeking advice and help. These are typically recorded via email and over the phone and are referred to as **consumer cases**.

The three line-charts below present comparisons of consumer cases over the first and second quarters of 2019, 2020 and 2021. The first chart presents a comparison of total consumer cases received over the three years, whilst the second and third charts indicate how many of these total cases were advice cases and assistance cases respectively.

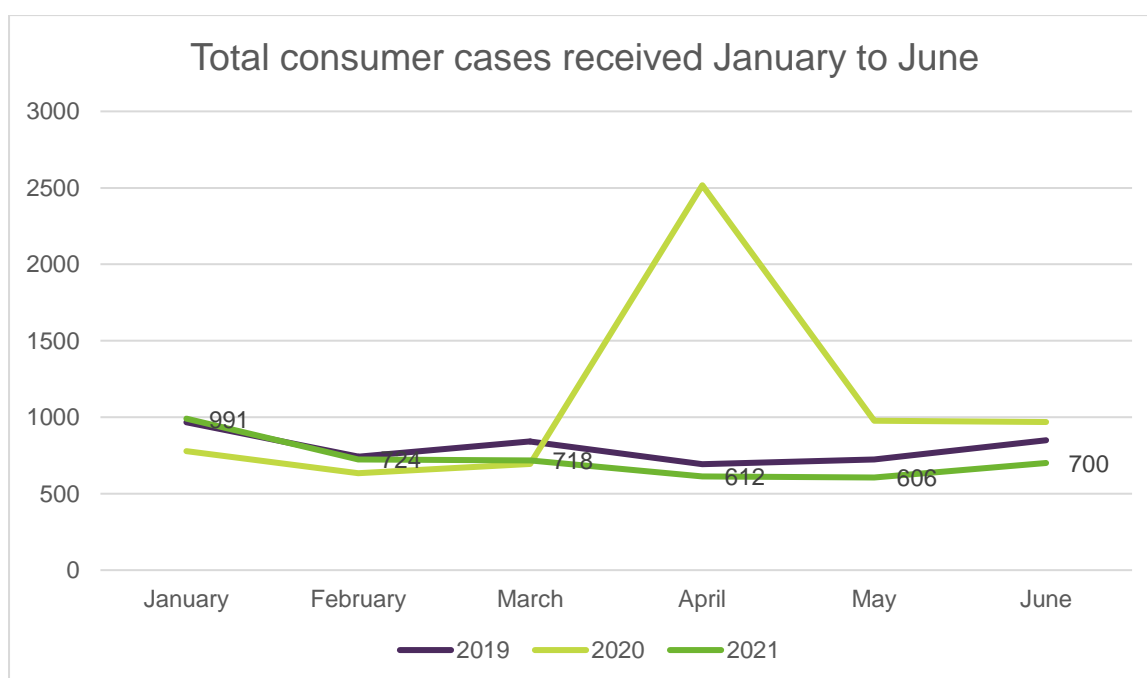
The first chart illustrates that overall, we have seen a drop in consumer cases during the second quarter of 2021 both when compared to the same period in 2019 and 2020. This can be contributed in part to a lack of cross-border travel due to the Covid-19 pandemic and a reduction in cross-border shopping due to Brexit. However, the data also shows that during the second quarter of 2020 we received an unusually high number of complaints and enquiries from UK consumers. This was mostly in response to the Covid-19 pandemic and for the main part related to air travel complaints, particularly cancellation by the operator and a failure to refund in a timely manner.

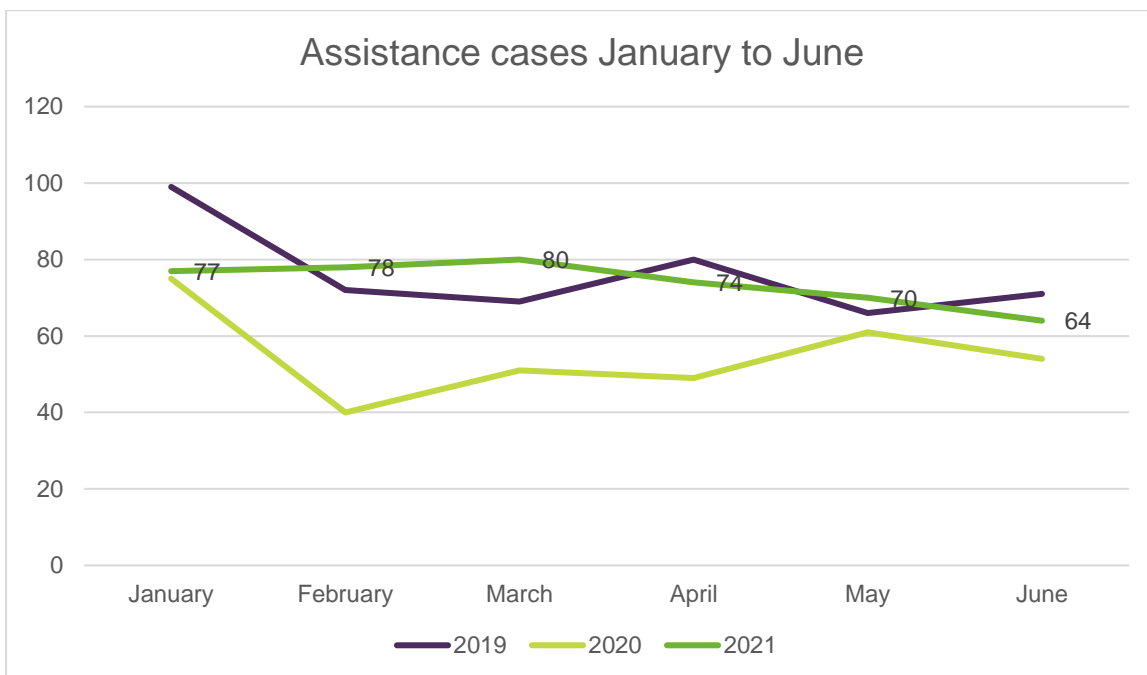
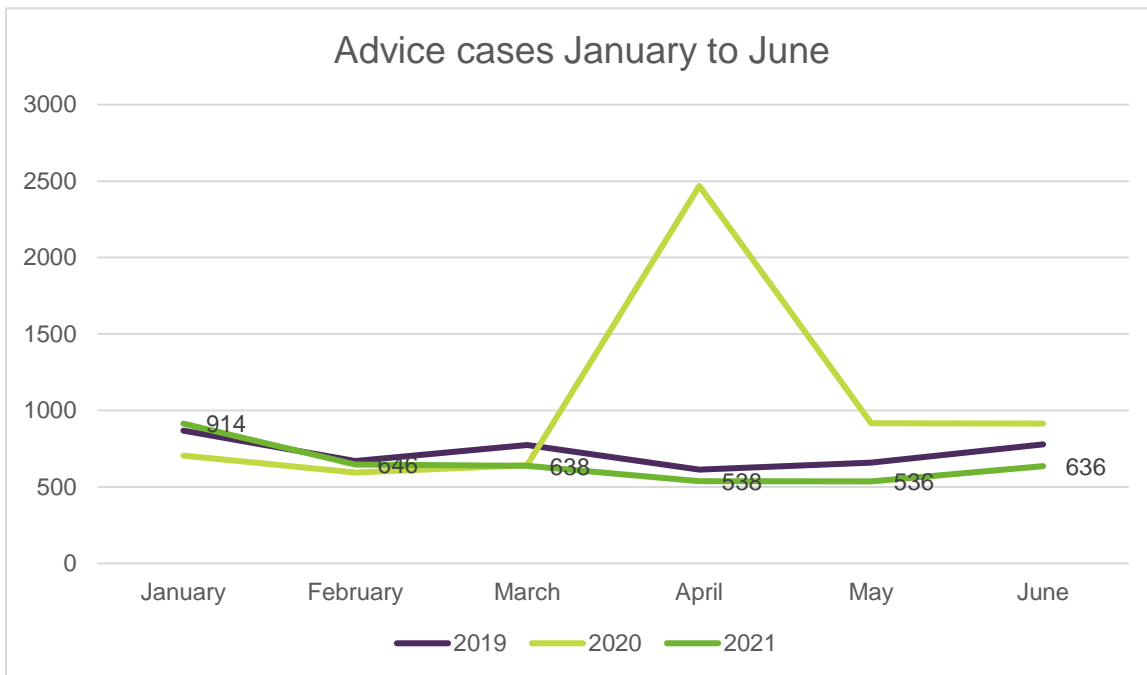
The in-year trend for 2021 is broadly typical and is due to the seasonality of complaints received by UKICC. Separating this data by month shows that during April and May we have received 612 and 606 cases respectively but there has been an increase in June (up to 700 cases) which we would expect to continue over the summer months.

Analysing the numbers of overall advice cases from January to June in 2021 (illustrated in the second chart), the figures reflect a broad picture of sustained need for the UKICC service from UK consumers.

There were 4,360 advice cases in the first six months of 2019, compared to 6,241 in 2020 and 3,908 in 2021. The higher 2020 figure masks an exceptional spike in demand in April that year which can be contributed to the onset of the Covid-19 lockdown and resulting travel cancellations. If we substitute a more usual figure for the April 2020 advice cases, there is very little difference in the total number of advice cases for the first six months of 2021 to those of 2019 or 2020.

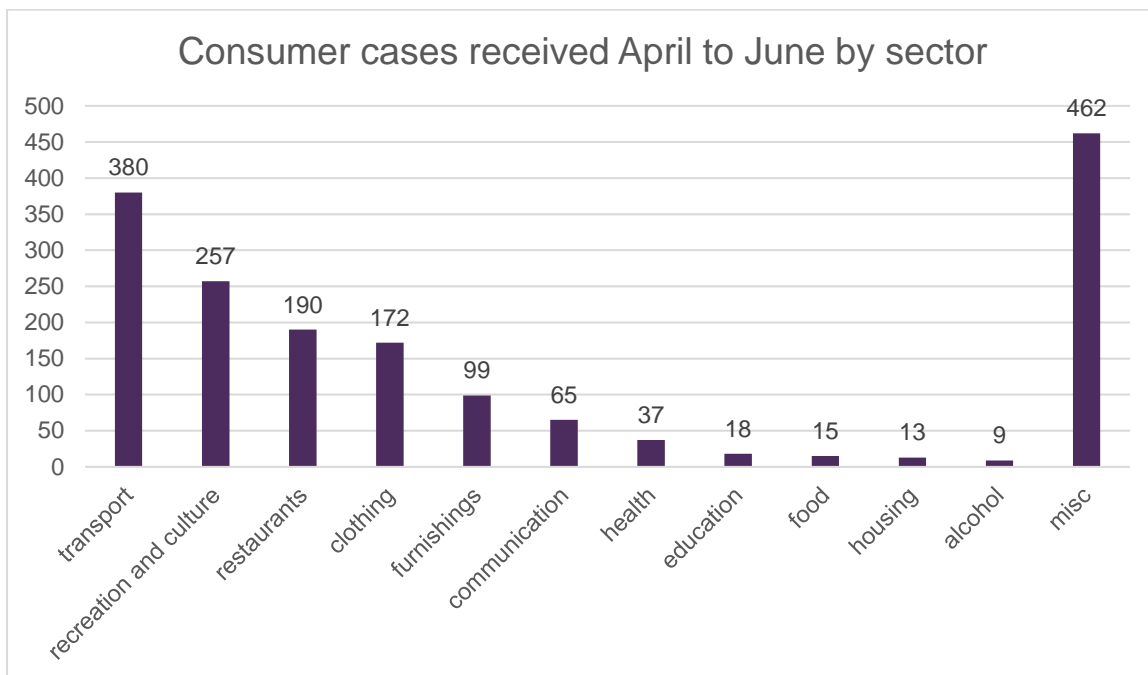
When we also look more closely at the overall numbers of assistance cases from January to June in 2021 (illustrated in the third chart), they again show a continued need for the UKICC service as reflected in the figures for the combined first and second quarters of each year. In 2021 the UKICC has dealt with 443 assistance cases, compared to 457 for the same period in 2019 and just 330 in 2020. This lower figure for 2020 is likely to be in response to changes in UK consumer spending habits brought about by the Covid-19 restrictions.





Most complained about categories

The chart below presents the total number of consumer cases received over the second quarter split by complaint category. Transport, recreation and culture, restaurants, clothing and miscellaneous are the five areas where we have received the most complaints. These are discussed below in further detail.



Transport:

- this is currently our most complained about area accounting for 20% (380) of the consumer complaint volumes recorded by UKICC over the second quarter
- analysing this data, the sub-category 'air travel' is the most common topic, representing 69% (264) of all transport cases. Over half of these (148) directly relate to cancellation of a flight by the operator. The driver for this is likely to be residual effects of the Covid-19 pandemic because during the same period in 2019 only 37 complaints were linked to flight cancellations by the operator

Products for recreational purposes:

- this category includes retail goods for sports and recreation, leisure events, such as concerts, and even wedding packages. The category accounts for 13% (257) of our total consumer cases received during the second quarter
- regarding the distribution of data amongst sub-categories, there was no particular product area nor type of complaint which stood out in this sector during the second quarter

Restaurants and accommodation:

- this category includes restaurants, accommodation and timeshare and is almost 10% (190 cases) of our total consumer cases received
- 135 of these cases directly relate to the provision of accommodation, or more specifically non-delivery of the service whether it be because the provider cannot fulfil the contract or the consumer cannot take up the service

Clothing and footwear:

- this category accounts for 9% (172) of consumer cases received over the second quarter and includes non-delivery of goods, goods not as described, or faulty goods
- regarding the distribution of data amongst sub-categories, there are no stand-out or identifiable trends associated with this sector over the second quarter

Miscellaneous:

- this category includes products and services, financial services, insurance, personal care items, jewellery etc
- this category is 24% (462) of our consumer case workload and is distributed across 3 subcategories
- 232 of these cases, which represents approximately 50% of the category, relate to “other services” which include booking intermediary and agency activities where we are seeing high levels of complaints related to the Covid-19 pandemic
- 22% (104) of the category cases are related to complaints about services equipment and products for personal care

Other Trends

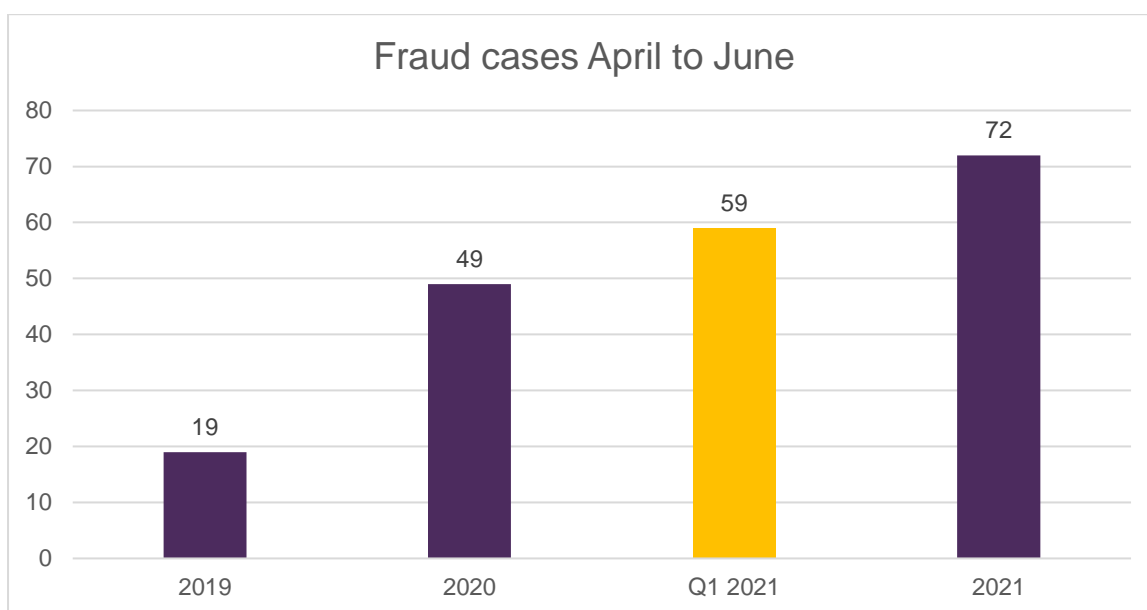
Looking more broadly across the consumer complaints data we can identify a number of trends related to online purchases, fraud, delivery, subscriptions, and geographic distribution of cases. These are discussed in further detail below:

Online purchases:

62% (1204) of the cases we received were related to purchases made using online means and of those 82% were made directly from the business. 16% (198) were purchases made through a booking intermediary and 61% (122) of these were complaints about passenger transport issues such as flight cancellations and delays.

Fraud:

We have seen an increase in cases coded as a fraud or a scam compared to the same period in 2020 and 2019 and also compared to the first quarter of 2021 (see chart below). 50% (39) of the fraud cases we received related to purchases made using e-commerce and 53% (21) of these related to consumers who had become involved in some kind of financial trading such as foreign exchange or crypto currency investments.

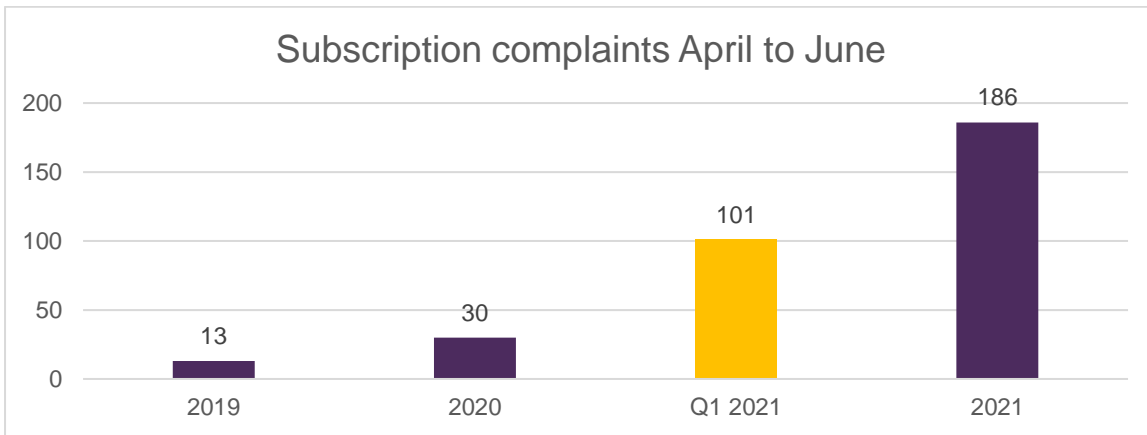


Delivery:

We have seen 216 cases regarding non-delivery of goods, which is a substantial reduction in comparison to the high figures received in the same period in 2020 (449 cases) but a big increase in cases in comparison with 2019 (134 cases). Of the 161 non-delivery cases received in the second quarter 2021 we saw a higher percentage of the online transactions result in non-delivery of the order (21%) compared to 14% during the same period in 2020.

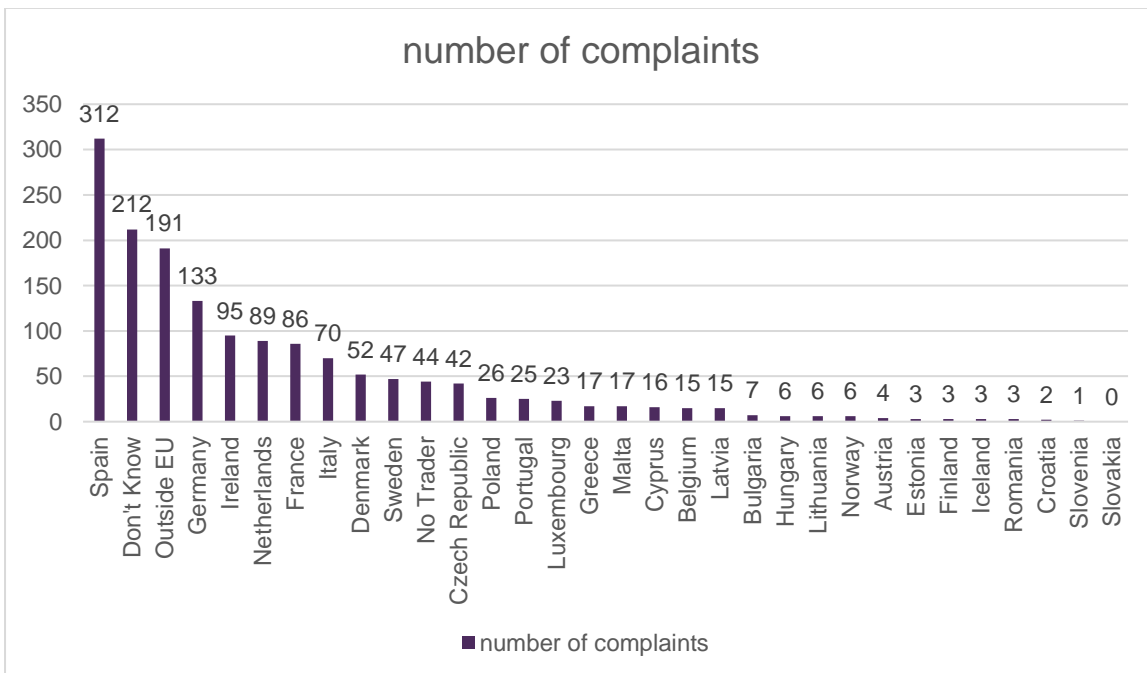
Subscriptions:

We are seeing an emerging trend regarding subscriptions complaints (186) which have dramatically increased during this second quarter of 2021 in comparison to the same period in 2020 (30), 2019 (13) and the first quarter of this year (101) as illustrated in the below chart. Many of these complaints are regarding a travel subscription service (where a consumer pays an annual subscription and receives beneficial travel rates in return).



Country specific complaints:

The chart below presents the results from an analysis of the country codes of traders involved in consumer complaints received over the second quarter.



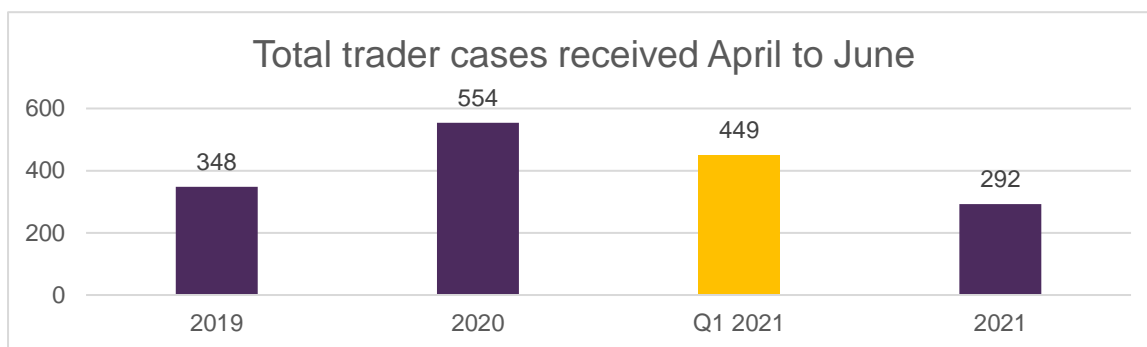
The data reveals the most common EU countries where traders are based are:

- Spain - 312
- Germany - 133
- Ireland – 95

Trader cases - those cases where a non-UK consumer has experienced a problem with a UK trader

We also receive complaints (via the ECC Network) from consumers resident within the EU with complaints against UK businesses. We refer to these cases as **trader cases** as we seek to liaise with the trader rather than the consumer to help facilitate resolution.

Trader cases are down for the second quarter of 2021 when compared to the same periods in 2019, 2020 and the first quarter of 2021 as illustrated in the chart below. However, as with consumer cases we are seeing a month by month increase in cases over the second quarter (67, 90 and 135 cases respectively for April, May and June).



For all cases of this type (292 received over the second quarter of 2021) we notify the trading standards department where the business is located by email so they can be added to their intelligence-led activities.

UKICC relationships with non-EU countries

We also see 9% (191) of our cases are against businesses located outside of the EU. Of these the most common locations are China (40) and USA (40), but also often Switzerland (18) and Turkey (10).

We now have agreements in place to share and handle cases from nine non-EU countries. There are three additional, new agreements in the pipeline, soon to be signed off.

Most of these relationships are reciprocal, meaning the UKICC will also deal with complaints about UK traders from consumers outside of the UK. This will see further data gathered and supplied to UK enforcers and regulators.

We have formal contractual agreements with consumer organisations in:

- Japan

- South Korea
- Mongolia
- Malaysia

We also have informal arrangements with consumer organisations based in:

- New Zealand
- USA
- Canada
- Mexico
- Switzerland

We are currently working towards agreements with four other non-EU countries.

Centre performance and impact

This report mainly focuses upon data trends related to case volumes received by UKICC, however it is also important to consider the performance and socio-economic impact of our centre.

Consumers largely come to the UKICC for help when they've exhausted other avenues and when discussions with the relevant trader has not given them the answer they want. Despite this, we still managed to achieve a resolution rate of consumer cases during the second quarter of 2021 of 48% (140 cases) resolution rate for those cases that required assistance (291) and 49% (211 cases) resolution rate for trader cases that required assistance (434).

Finally, the centre carries out a rolling customer satisfaction survey. The results over the second quarter of 2021 indicated a customer satisfaction rate of 96%, which is +1% increase on the first quarter of 2021 (95%).