



People power

a manifesto for consumers



An end to rip-off Britain

We are all consumers. Often it feels like whether you've had a good day or a bad day depends on the services we used and the goods we bought. Am I getting a good deal from my gas company? Was my bank reasonable when I accidentally went overdrawn? Could I find what I needed, at a price I can afford, at my local supermarket?

We all know how frustrating it can be when these bits of daily life go wrong. Not least because, when that does happen, it can feel like you don't have anyone fighting your corner. I believe making companies treat people fairly is a crucial responsibility for modern government. One, sadly, that neither Labour nor the Conservatives will step up to. Because neither will take on big business, even when that means unfairness for ordinary people.


The Liberal Democrats will change things. This manifesto for consumers is about levelling the playing field: giving people more power to get a fair deal: in banking, on the railways, from the energy companies, from the supermarkets. From making sure you're charged the right price for the electricity you use, to outlawing scandalous bank charges; from clamping down on unscrupulous airlines who charge unreasonable fees to putting rules in place so you get some of your train fare back if you have to catch a rail replacement bus.

It's staggering that government doesn't protect your basic rights in these ways already. But the truth is it's a totally new approach. One that puts you ahead of the companies you use.

So Liberal Democrats will improve the daily experience of millions of people trying to deal with faceless corporations and large, unhelpful organisations. A change to get big business off the backs of ordinary consumers. A revolution in the rights of consumers.

An end to rip-off Britain.

Yours,



A Fair Deal for Consumers

- Put a cap on interest rates charged by credit cards and store cards
- End unfair bank charges
- Introduce fair energy charging so that the essential, energy you use is cheapest
- Cut rail fares
- Regulate the parking system and stop private sector wheel-clamping
- Up-front pricing for airlines and an end to unfair fees
- Regulate supermarkets to ensure fair local competition

Fair Banking

The UK banks owe their very existence to the British taxpayer. Despite this banks and other financial service companies continue to rip people off. Unfair bank charges have hurt millions of people across the UK, and this can cause a mountain of debt to pile up as banks charge up to £40, repeatedly, for going just a few pounds over your overdraft limit.

Credit and store cards can be similarly harmful with high interest rates and hidden fees. Average credit card rates are currently at a high of 18.8% and for some people they are as high as 60% or 70%. Extortionate rates are charged to those who can least afford it, putting people already struggling into a spiral of debt. While it is fair that card providers should be able to adjust their rates to reflect who they are lending to, many credit cards go well beyond this.

The Liberal Democrats believe that these charges are unfair and would address the situation by:

- Legislating to **end unfair bank charges** on unauthorised overdrafts, bounced cheques or failed direct debits. We will ensure that banks can only charge customers a price which is proportionate to the costs they incur from these events.
- Putting a **cap on interest rates** credit and store card providers are able to charge. In order to define what this rate should be we will consult with industry and consumer groups.
- Imposing a duty to trade fairly, forcing banks to **stop unnecessary delays** in clearing cheques and online payments without the need for separate and cumbersome regulations

Fair Services

In the public sector services must be delivered in a way which all customers – be they patients, pupils, parents or taxpayers – can get what they need easily, efficiently and locally.

In the private sector, too, we want to improve the quality of service. It matters little to customers of energy companies or transport companies whether they are publically or privately owned. What matters are the quality, accessibility and affordability of their services.

We are determined to ensure that organisations make it easy for the people they serve to contact them, to obtain information from them and to secure the services they provide. For example we would:

- Require airlines to be honest and upfront about pricing, **ending the practice of adding hidden charges**. We will impose rules on transaction charges to stop airlines charging you unreasonable fees simply for paying for your ticket; they will only be able to charge what it costs them to process your fee and pay the credit card provider.
- Cut rail fares, changing the rules in contracts with train operating companies so that regulated fares fall behind inflation by 1% each year
- Make Network Rail refund a third of your ticket price if you have to take a replacement bus service, providing them with an incentive to drive up standards
- Introduce a legally binding **Supermarket Code** of practice along with an **Independent Food Market Regulator** – to ensure a fair price for food and to ensure that people do not face local monopolies while good rural shops and farmers are squeezed out of business
- Ban private sector wheel-clamping that takes advantage of motorists

Fair Utilities

Energy companies make millions of pounds of profits each year yet Britain's families are struggling to pay their energy bills. There is a worrying time lag between the wholesale energy price falling and consumer prices falling. Liberal Democrats believe the energy market must be tightly regulated so that energy companies are not allowed to abuse their market position and consumers can get the best deal.

- The Liberal Democrats will change the tariffs used by energy supply companies to that **the first, essential energy you use is the cheapest**. Under the current rules, a pensioner trying to heat a single room in their home pays more per unit than a millionaire does heating a five-storey mansion. This is not right and we will change it.
- We will introduce mandatory social tariffs which would be available to all of those on means-tested state benefits, to **guarantee the best price for all those in most need**.
- We will ensure the swift roll-out of energy meters (in half the time the government has proposed) to **help people shop around for the best tariff**.

Since privatisation, water and sewerage bills have risen over and above inflation, leaving many families struggling to pay. A combination of population growth, the effects of climate change and the need to renew infrastructure means that this situation will only get worse as increasing pressure is put on the availability and cost of water.

- The Liberal Democrats will **mandate water companies to introduce a social tariff** to alleviate water poverty
- We will also **roll out smart metering** to households in areas where they will be cost-effective and contribute to more sustainable water management
- Liberal Democrats will consult on the implementation of the independent Walker Review which recommended action to deal with regional unfairness in water charges

A Fair Marketplace

Liberal Democrats believe markets must operate freely, fairly and effectively, but subject to sufficient regulation to ensure that the needs of consumers are not ignored or suppressed. A principle reason for poor services and unresponsiveness is a lack of competition, which is central for markets if they are to operate in the interests of people they serve.

Liberal Democrats also want the needs of local communities to be met locally. To revive the UK economy we must encourage thriving, innovative, local businesses and reduce the trend towards monopoly organisations. To ensure these principles, we would:

- Introduce a **Universal Service Code** to secure high-quality customer service in the private and public sectors, for example by requiring that the customer service phone number is free from mobiles and landlines; or by requiring companies to give specific hour-long time slots for visits and deliveries
- Require a **local competition test** for all planning applications for new retail developments and establish a local competition office within the Office of Fair Trading to investigate anti-competitiveness practices at a local and regional level