

County Council Meeting – 20 March 2012

Statement / Updates by Cabinet Members

I am delighted to advise the Council that on Friday last week, The Court of Appeal rejected Scottish and Southern Energy's appeal against a conviction for misleading potential customers.

The original prosecution was brought by the County Council's Trading Standards service and was heard last year in Guildford Crown Court.

The case will now go back to Guildford Crown Court for sentencing. I am pleased to say that the Court of Appeal have also ordered Scottish and Southern to pay the Council's full legal costs.

This prosecution was the first time that one of the "big 6" energy suppliers had been convicted of criminal offences as a result of deceptive doorstep selling practices.

The company issued its doorstep sales staff with a script which led customers to believe the seller knew they were overpaying with their current energy supplier, and if they signed up with them straight away they would definitely save money - when in fact they did not have such information at all.

The case was not about rogue sales agents but about every agent being trained to use the same misleading script.

This case shone a spotlight on deceptive practices used to mislead customers into signing up with new energy suppliers on the doorstep.

As a result, at least partly of this case, 5 out of the 6 biggest energy suppliers have now stopped doorstep sales. They now recognise that it is not in the best interests of their business or their customers.

Scottish and Southern have also now set up a new compensation scheme to help compensate victims of mis-selling and set aside £5M to fund it. We are now urging that the company actually goes much further and proactively identifies those people who have paid more than they needed to after being misled on the doorstep.

Our advice, as always, remains the same - never deal with cold calling doorstep traders.

The case is a great example of the work we are doing every day to help Surrey residents, especially the most vulnerable, get a fair deal, and to protect all our residents from deceptive or misleading practices.

Mrs Kay Hammond
Cabinet Member for Community Safety
20 March 2012