

The Catalan Agency of Consumer Affairs 2006 Annual Report

1.Introduction

2006 saw a number of conflicts that affected a great number of consumers and users. The closure of the Xavier Pujol chain of furniture stores in February, the alleged case of olive oil fraud that turned out not to be in the month of April, the insolvency of the companies Forum Filatélico and Afinsa in May, and the serious conflicts in the air travel world such as the events at Barcelona's El Prat airport on 28 and 29 July and the closing down of airline Air Madrid in December all had a great impact on the activities of the Agència Catalana del Consum – The Catalan Agency of Consumer Affairs. All of these caused an increase in the number of consumers dealt with, by telephone, internet and in person, and also led to an increase in the number of complaints handled.

In addition to the core task of helping consumers, other important activities carried out in the year included:

- The implementation during the 2006-2007 academic year of consumer affairs workshops for primary school children, the consolidation of the territorial deployment of the Consumer School from its travelling headquarters and the commencement of the School's function as a centre for studying the consumer customs of young Catalans.
- Encouraging companies to join the consumer arbitration scheme with a promotional campaign under the slogan "A sign of commitment, a sign of confidence" and the consolidation of the use of videoconferencing. A total of 220 new companies and professionals, representing 361 establishments, joined the Junta Arbitral de Consum de Catalunya.
- With regard to market oversight and discipline, telephone services received in-depth attention and a specific campaign, the first of its type in Spain, was carried out on respect for with air transport user rights.

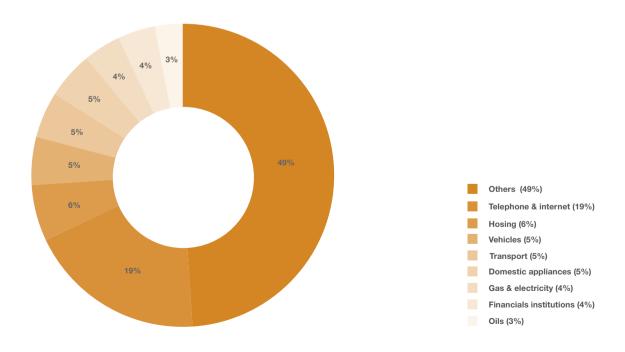
Additionally, 2006 was the year that saw the Agència Catalana del Consum (ACC) consolidating its structure as an autonomous body. This structure, approved in November 2005, reached its final form with the approving of the Positions Listing in February 2006. Changes in the structure of the Catalan government meant that, in May 2006, the ACC became part of the Department of Employment and that the Girona, Lleida and Tarragona consumer sections and the Terres de l'Ebre consumer department began to report directly to the Agency. Finally, with the new reorganisation of the government in 2006, the Agency came under the authority of the Department of the Economy and Finance.

2. Information

2.1 Telephone advice

2.1.1 The "telèfon d'atenció ciutadana (012)" hotline

The total number of consumer affairs-related queries was 102,588. Of these, 47,550 were calls seeking information on addresses and the powers of consumer affairs-related public bodies and entities. The remainder, 55,038, were requests for information on the following matters:



2.2 Consumer information via the ACC web site

The ACC web site (www.consum.cat) contains updated information on the consumer rights and duties.

Consum.cat web site statistics for 2006	
Total number of hits	6,055,415
Average number of hits per day	16,590

3. Training

3.1 Training for consumer affairs professionals

The ACC delivers a range of training solutions for professionals from Public Consumer Information Offices and Consumer Associations in Catalonia.

2006 saw 13 different training activities with a total of 381 class hours and 420 attendants.

3.2 Consumer and trader training

The ACC carries out a number of training activities aimed both at all types of consumers (consumers in general, neighbourhood associations, senior citizens, housewives' associations and other groups), and at traders, to educate them in general consumer affairs, the resolution of disputes and new laws and regulations.

3.2.1 Consumer training

A total of 42 talks, attended by a total of 1,331 people, were given

3.3 Trader training

A total of 24 informative sessions were carried out, attended by a total of 548 people.

4. Education: L'Escola del Consum de Catalunya (The Catalan Consumer Affairs School)

One of the main goals of the Agència Catalana del Consum is to train consumers in Catalonia. With this mind, the Escola del Consum de Catalunya was opened in October 2003 to provide training for young Catalans.

4.1 The target public

The School's target public are secondary, baccalaureate and professional training, initial teacher training, special and evening class students –and, from the 2006-07 academic year on, primary school students.

4.2 Participation

The summary figures for the number of students taking part in workshops offered by the Escola del Consum de Catalunya, broken down into the two schools operating during the 2005-06 academic year, are as follows:

TOTAL TERRITORY	3.942
TOTAL BCN	3.762
TOTAL ECC	7.704

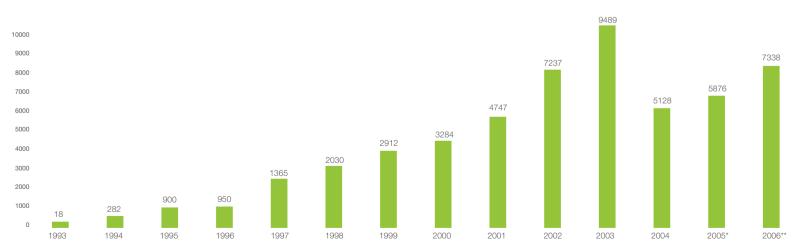
5. Mediation and arbitration

The Junta Arbitral de Consum de Catalunya, (Catalan Consumer Tribunal Board), a body attached to the Agència Catalana del Consum, handles complaints made by the public throughout Catalonia when they feel they have been unfairly dealt with when purchasing a product or receiving a service.

Complaints received

A total of 7,338 complaints were lodged in 2006. When added to those being dealt with from the previous year, a total of 9,431 cases were worked on.

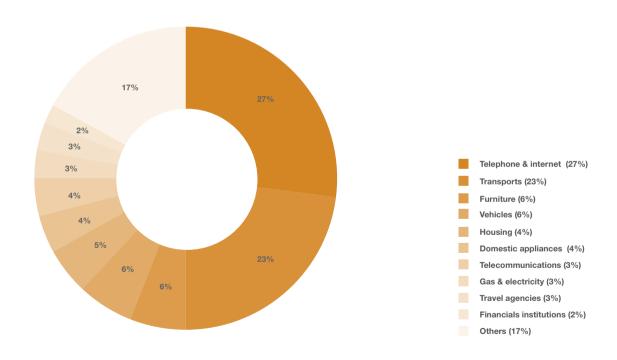
Complaints lodged with the JACC



^{* 2003} saw the case of the closure of the OPENING Schools of Languages

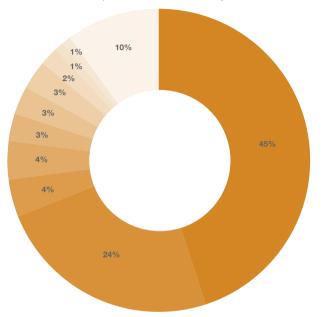
The breakdown of the cases handled in 2006 is as follows:

Complaints received in 2006 by sectors



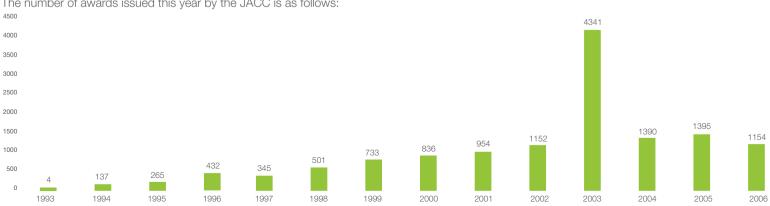
5.1 Mediation

A total of 3,186 complaints were resolved by mediation, as follows:



5.2 Arbitration (awards)

The number of awards issued this year by the JACC is as follows:



Telephone & internet (45%)

Domestic appliances (4%)

Telecommunications (3%)

Financials Institutions (2%)

Transport (24%) Gas & electricity (4%)

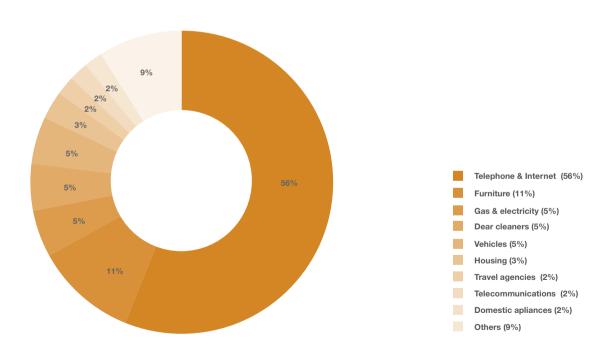
Vehicles (3%)

Furniture (3%)

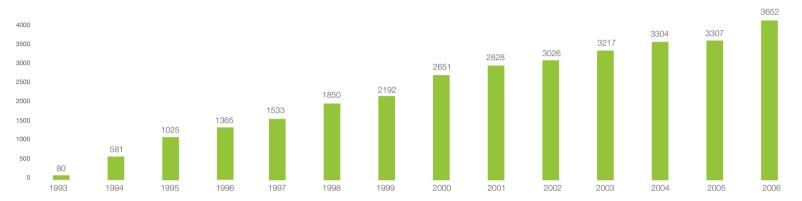
Housing (1%) Travel Agencies (1%) Others (10%)

Worthy of note was the holding of arbitration proceedings by videoconferencing, which has been implanted in the Territorial Consumer Affairs Sections and in different District Councils (Berguedà, Baix Empordà, Baix Camp, Osona and Bages), with an agreement on the delegation of powers.

Awards issued in 2006 by sectors



Establishments members of the JACC



6. Inspection and market oversight

6.1 Inspection Campaigns

The campaigns carried out in 2006 were 18 plus two control campaigns (food and other issues) carried out sistematically. A total of 2,439 actions were taken in Catalonia.

6.1.1 Food products

- Compulsory and optional food information: fruits and vegetables
- Food labelling control

6.1.2 Non-food products

- Non-food product information and security
- Arms control
- Water articles and toys control
- Textiles control
- Christmas decorations
- Mobile telephone product guarantees

6.1.3 Services

- Artificial tanning establishments
- Housing purchases
- Tangible assets
- Airlines
- The events of 28 July at El Prat Airport
- Debt consolidation
- ADSL Internet services

6.1.4 Sales techniques

- Winter and summer sales
- Price-point retailers
- Sales techniques conditions

6.2 Product safety alerts

A total of 1,587 product alerts were managed

Alerts by product type				
Product type	Percentage			
Electric and lighting	24,05 %			
Toys	17,18 %			
Motor vehicles	14,50 %			
Childcare	13,74 %			
Small appliances	12,60 %			
Chemicals	6,87 %			
Hardware & DIY	4,20 %			
Textiles	3,05 %			
Car accessories	2,67 %			
Laser pointers	1,15 %			
TOTAL	100 %			

6.3 Inspections

18,310 inspections were carried out in 2006:

Breakdown by cause for action							
Cause	Barcelona	Girona	Lleida	Tarragona	T. Ebre	Total Cataluña	Percentage
Campaign	680	505		367	388	2.439	13,32%
Complaint	3.317	310	131	210	12	3.980	21,74%
Communication	1.539	319		122		2.070	11,31%
Ex officio	642	135	129	54	2	962	5,25%
Alert network	3.472	1.042	1.167	3.051	127	8.859	48,38%
Total	9.650	2.311	2.012	3.804	533	18.310	100,00%

6.3.1 Market recalls and goods destroyed

The breakdown of the number of items affected by product type is as follows:

Product Type	Destroyed	Recalled
Food		3.242
Textiles	2.882	472
Chemicals	4.654	2.020
Hardware & DIY	21.094	3.062
Small appliances	486	5.125
Electric and lighting	50.326	85.199
Lasers		1.818
Motor vehicles	25	11.687
Toys	12.454	18.530
Childcare	11.901	40.448
Car accessories	72.406	23.994
Total	176.238	195.597

7. Penalties

7.1 Cases handled

2006 saw the commencement of a total of 1,072 penalty cases covering matters the responsibility of the Market Control and Consumer Affairs Inspectorate.

Number of cases commenced by grouped product/service type:

Product/service type	Barcelona	Girona	Lleida	Tarragona	T. Ebre	Total
Food						116
Industrial products	293	43	33	18	0	387
Services	388	48				486
Utilities, telecommunications, postal ser-	70	10	2	1	0	83
vice						
Total	835	114	67	56	0	1072

7.2 Type of offence punished

The offences punished, by type, are as follows:

	Percentage
N1 Product alteration, adulteration and fraud	1,55%
N2 Documentation, information & records	43,34%
N3 Commercial transactions	2,01%
N4 Control and inspection collaboration	5,73%
N5 Advertising	2,63%
N6 Pricing	2,63%
N7 Product labelling and packaging	11,92%
N8 Trading activity	3,56%
N9 Product safety	3,87%
NB Contractual clauses	22,76%
Total	100,00%

7.3 Amount of penalties

Year of ruling	Barcelona	Girona	Lleida	Tarragona	T. Ebre	Total
2006	2.504.851 €	105.050 €	26.500 €	38.350 €	0,00€	2.674.751 €

7.4 Administrative appeals

2006 saw the lodging of 363 appeals to a higher instance, of which 144 were rejected, 2 upheld and 9 partially upheld.

8 appeals for reversals were made and 18 contentious-administrative appeals lodged.

8. Regulations

The following regulations were drawn up and published:

- Decree 349/2006, of 5 September, which governs the activities of companies providing services to and representation for consumers and users before the public administrations in the handling and execution of penalty proceedings.
- Order TRI/487/2006, of 18 October, to guarantee information on and the protection of the rights of consumers in the process of implementing digital terrestrial television.

9. Consumer affairs training

9.1 Aid for consumers and user organisations

Subsidies totalling \in 504,954.67 have been granted to a total of 14 entities for their activities, with a total expense budget o \in 1,385,012.19.

9.2 Consumer and user information and defence subsidies to district councils

Subsidies totalling € 304,995.40 were granted to 27 district councils for a number of lines of action, with a total expense budget of € 1,126,999.52.

9.3 Delegation of powers to district councils

Agreements on the delegation of powers have been signed with 19 district councils, for a total financing value of €713,209.67.

The Vall d'Aran had powers transferred to it in 2005.

10. Studies and opinion polls

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The following studies were carried out:

- Debt consolidation November
- Linguistic marketing and consumer affairs December
- Awareness of consumer rights amongst recent arrivals to Catalonia December

As part of the Escola del Consum de Catalunya research activities:

- Factors taken into account by young Catalans when purchasing clothing and accessories
- Best-known advertising brands amongst young Catalans

10.2 Surveys

Telephone polls of a representative Catalonia-wide sample were carried out on the following subjects:

- Consumer habits amongst senior citizens May
- The rights of Catalans as consumers December

10.3 Information on market prices

Information on the prices of leading basic products is monitored in the markets of Barcelona and is surroundings. This information allows for the detection and studying of possible variations in prices of consumer goods and is used in the drawing up of studies and basic economic reports forwarded to municipal councils, consumer associations, statistics departments, universities and the media.

The ACC gathers pricing information once a week on 300 different food products.

11. Communication and publicity

The Agència Catalana del Consum ensured its media presence in 2006 by means of publicity in the press, radio and television via announcements concerning different events. This participation in television, radio and the written media gave rise to a total of 28,052,731 hits in 2006.

11.1 Presence at trade events

The Agència Catalana del Consum actively participates in Catalonia's trade fairs to provide information to members of the public requesting it, either distributing its collection of informational literature on the defence of consumer and/or user rights, or by promoting itself with the distribution of merchandising.

The ACC took part in 12 trade fairs

11.2 Press releases and conferences

16 press conferences were held and 23 press releases issued on a range of matters.

11.3 Publications

The following brochures were published or republished:

- Information for those buying a home
- Catalonia's Consumer Associations
- If you have the invoice, you have the guarantee
- Recommendations before starting a trip

- Changing utility company
- The Escola del Consum de Catalunya
- Make a difference: be a discerning consumer
- Consumer mediation and arbitration
- A sign of commitment, a sign of confidence
- Practical advice for users of premium-rate services
- Fair Trade
- Be a responsible consumer: buy locally
- The Barcelona European Consumer Centre
- Senior citizens as consumers
- Videogames: be a responsible, thinking user
- Debt consolidation

It has also published, in collaboration with Barcelona City Council's Institute for Education, the guide "Who sets the rules of the game? A guide to choosing and using videogames".

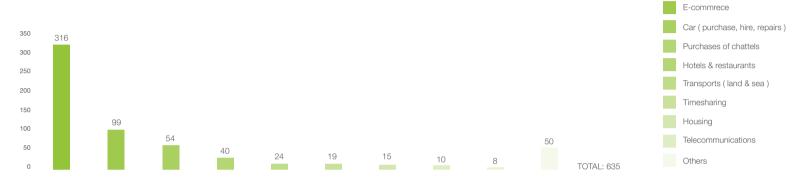
12. The Barcelona european consumer centre

The Barcelona European Consumer Centre worked on a total of 1,367 cross-border cases (635 complaints and 732 queries).

Air travel

12.1 Complaints

Complaints by sector:



Complaints handled:

Disputes resolved:	373
In favour of consumer:	173
Shelved or not in favour of consumer:	200
Disputes pending settlement:	262

12.2 Queries

Breakdown of the 732 queries by sector:

Sector	Total
Air travel	372
E-commerce	
Timesharing	52
Cars (purchase/rental/repairs)	

Hotels and restaurants	19
Tourism	
Sale of goods	15
Financial services	
Professional services	10
Advertising	
Housing	7
Telecommunications	
Healthcare	5
Insurance	
Land, rail and sea travel	3
Postal services	
Computers and repairs	2
Prizes and lotteries	3
Domestic appliances	
Public services (municipal)	1

13. Goals for 2007

The goals we have set ourselves for 2007 are:

- To make use of the powers contemplated in Catalonia's Statute to guarantee the rights and safety of all consumers.
- To improve the legislative and regulatory framework to guarantee consumer rights with the drawing up of a new Consumer Act (Code).
- The improve the information, training and education provided consumers, users and market players, taking advantage of the facilities offered by new technologies and boosting the presence of the Escola de Consum de Catalunya.

- To increase the resolution of disputes through mediation and arbitration, and to make the public more familiar with dispute resolution mechanisms, whilst ensuring that more businesses join the Junta Arbitral de Consum de Catalunya
- To achieve a disciplined market in which players act in compliance with applicable regulations, boosting the capacity of the consumer affairs inspectorate by providing it with the necessary resources.
- To promote responsible consumption as a part of competitiveness and the quality of life by encouraging responsible consumption practices and corporate social responsibility policies.



Addresses

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