

REMOVALS INDUSTRY OMBUDSMAN SCHEME

ANNUAL REPORT

2006

CONTENTS

Chairman's Report

The Ombudsman Scheme

History; a Private Sector Scheme; Aims and Objectives; Making a Complaint

The Ombudsman's Report

Statistics; Developments; External Activities; Examples of Complaints;
Specific Issues; Conclusion

Case Studies

Contact the Ombudsman

THE REMOVALS INDUSTRY OMBUDSMAN SCHEME (RIOS)
(A COMPANY LIMITED BY GUARANTEE)

CHAIRMAN'S REPORT

Background and Focus of the Scheme

As a member of the British and Irish Ombudsman Association (BIOA), we have learned that the challenges we face exercise our minds in a fashion similar to the public sector and statutory schemes.

All complainants enjoy the right to pursue an action in Court if they are not satisfied with the decision of the Ombudsman or if the award made is not honoured by the supplier. While it is open to the complainant to cite the Ombudsman's adjudication, there is no obligation on the Court to accept or act upon that adjudication. Therefore, a decision of the Ombudsman can only be enforced by the scheme itself identifying such sanctions as would press errant members to comply. The current year has been noted for ongoing discussion about appeal procedures, consideration of sanctions and enforcing adjudications.

The Members continue their efforts to increase the number of participating removal companies.

Finance

The income of the Scheme is generated from membership fees and by invoicing its Members for the Ombudsman's time spent on casework.

This year has seen the scheme mature and, in reaching the consolidation stage, we have negotiated a fee increase with our major Member which should enable us to fully cover our current operating expenses as the full benefit of this increase materialises.

The Board Members

The Board consists of four full members, three of whom have no current or any past connection with any removal company.

Anthony R Kaye JP, BA, MBA, MBCS, ACI Arb. (Chairman)

Anthony Kaye is a Director of Thomas International, an HR consultancy firm and publisher of psychometric tests.

Matti Alderson BA (Hons), FCAM, FRSA

Matti Alderson provides specialist advice and advocacy on regulatory policy and strategy in the public and private sectors in the UK and internationally. A former Director General of the Advertising Standards Authority and Vice Chairman of the European Advertising Standards Alliance in Brussels, she is currently a Press Complaints Commissioner and is also Chairman of the Direct Marketing Authority.

Jeffrey Norman B.Sc (Econ.), FCA

Jeffrey Norman is an executive with broad commercial experience who has held senior Finance positions in a wide range of sectors over many years.

Martin Rose B.Sc

Martin Rose is Managing Director, Movescope Ltd; Consultants to the Removals Industry and a Director of International Removals Network Ltd

Lynne Stone (Company Secretary) and Emma Brown provided secretarial services to the Board and their work on its behalf is greatly appreciated.

Anthony R Kaye, Chairman

13 December 2006

THE OMBUDSMAN SCHEME

History of the Scheme

The Removals Industry Ombudsman Scheme was established in 2002, but it wasn't until 2003 that all the elements were in place and complaints from customers of removal companies reached the Ombudsman's office.

A Private Sector Ombudsman Scheme

The model chosen for the Scheme was based on trade association membership. This has many advantages. A trade association committed to supporting the scheme can bring all its members companies into membership and within the jurisdiction of the Ombudsman. The trade body can set standards against which the Ombudsman can assess the members' performance. In our case, the trade association is also included in the complaint process, and as a 'conciliation service' effectively enables a majority of complaints to be resolved to the satisfaction of the complainant.

In this way, the costs of the Ombudsman Scheme are kept down, the removal companies have the opportunity to resolve issues informally, and yet customers have the comfort of knowing that they can still approach the independent Ombudsman. A voluntary scheme has few ultimate sanctions if a member does not abide by the decision of the Ombudsman. In the trade association model the available sanction is expulsion from the association, as well as the Ombudsman Scheme.

The initiating trade association for this Ombudsman Scheme was the National Guild of Removers and Storers. There is a compulsory link to an independent inspectorate of removal company members, a Code of Practice and a model set of Terms and Conditions, all of which form a foundation from which the Ombudsman can view complaints. The membership of mostly small to medium-sized companies is spread throughout England, Scotland and Wales, with growing membership in both northern and southern Ireland. Currently membership is in the region of 240 companies, approximately 25% of reputable removal companies, but excluding "men with vans". Thus a large number of domestic removals take place where clients have no means of redress other than the courts, and sometimes even that is not accessible.

It must be noted that the state of the housing market has a noticeable impact on the number of complaints received by this office. In a sluggish market, there are fewer moves, but when houses begin to be bought and sold again, after about a six month delay, more complaints are received.

Significantly, members of the trade association are encouraged to use sales and marketing materials which strongly feature the Ombudsman Scheme, and provide information about, and contact details of, the Ombudsman's office. So access to the Ombudsman Scheme is easy for qualifying clients.

Aims and Objectives of the Scheme

The neutrality and independence of the Ombudsman in dealing with complaints is probably the single most important feature of the Scheme. The Ombudsman is neither a consumer champion nor a puppet of the industry.

The principle on which the Scheme operates is to put the individual back in the situation in which he/she would have been if the problem had not occurred. In some instances, compensation above that is awarded, but this is only given when the circumstances demonstrably involved some degree of stress and inconvenience; it is not awarded as a matter of course.

Each complaint is treated according to its own merits, and the approach is investigative. The Scheme operates by documents only.

Where applicable, feedback is given to member companies with advice on how they could improve in the future. They are therefore encouraged to treat complaints as opportunities to learn and to improve the service.

Making a complaint

The 'escalated' process requires the complainant first to take the matter up with the removal company. If that is not satisfactory then the conciliation service of the trade association is invoked, and only when that has gone as far as possible, and a 'deadlock' letter is received, may the complainant approach the Ombudsman. A simple Complaint Form starts the process within the Ombudsman's office, and then the responding company is given 28 days to reply. Both the complainant and the removal company are issued with guidance notes to help them put forward their cases in the best possible manner.

The general public, when they have a problem with their removal companies which are not in membership of the Scheme, nevertheless make contact. Many of them expect the Scheme to cover all removers, and advice is offered to suit their circumstances. The Scheme's website is easily accessible, and recommendations to contact us are made from trading standards offices, Citizens Advice Bureaux, the government consumer advice service 'Consumer Direct', and other internet based help-lines. The office receives about 80 written complaints each year, and at least half that number of telephone and e-mail complaints. Some of these problems are horror stories of incompetence and fraud.

OMBUDSMAN'S REPORT 2006

Shelley Radice, Removals Industry Ombudsman

Statistics

Since the last Report, 73 written complaints have been received, about the same number as last year. These include complaints outside our jurisdiction, about non-member companies. Some of the worst problems involved overseas removals.

Of the written complaints, 13 escalated into cases for the Ombudsman, compared to 17 cases in 2005. In addition, six are currently awaiting determination.

Slightly more complaints are coming through e-mail, but most still begin with a telephone call or a letter.

Analysis has shown that about a third of cases are resolved within one month, and the rest seldom taking more than two months.

The value of the awards was between £40 and £600. This year the statistics are not significantly different from previous years.

Developments in the Scheme

Two important topics were addressed. Proposals are in hand to adopt a new sanction in instances where the removal company declines to abide by the Ombudsman's award. This sanction takes the form of an option to publicise the default in the local media. The second proposal is adapted from a successful trial by the Scottish Public Services Ombudsman service, and would only be used by our Scheme very rarely. This is the Policy on Unacceptable Actions by Complainants.

External Activities

The Ombudsman continues to benefit from involvement with the British and Irish Ombudsman Association. Regular meetings are arranged with the other private sector Ombudsman Schemes.

Nature of complaints

Examples of types of problems which are brought to the Ombudsman

From the customer:

Items damaged

Items left behind or missing; especially small things that mean appliances are unusable

Inappropriate packing such as kitchen utensils wrapped up in bedding or clothes

Late arriving

Estimation wrong – both over and under

Van smaller than promised

Computers/printers not securely protected

Damaged lampshades and hats

Pictures not properly protected

Damage to house when moving furniture in or out

Not forwarding an insurance claim form; not supporting the claim

Excess payable on insurance claim

Not communicating and informing the client where their goods are, during an overseas removal, not even if there are delays

Consignments not shipped when expected and so goods not arriving on time

On arrival abroad, no unpacking service, nor removal of debris

Charging for waiting time

Not collecting empty boxes

Damaging flat-pack furniture

Placement of furniture in rooms was not right

Clients suffering mental strain

Rudeness

Examples of Responses from the removal company:

Customers not confirming removal dates

Long periods of waiting while contracts are exchanged and keys produced

Some people try to claim back the cost of the removal

Customers try to move flat-pack furniture

Rudeness

Some specific issues

Lack of Response

The most frequently expressed dissatisfaction concerns the lack of response by removal companies to clients' complaints. Telephone calls are promised, but not made; letters are not answered, sometimes for weeks. Understandably, this can turn a reasonable client into one who is demanding. Removal companies whose policy is to ignore problems are misguided. A quick response may diffuse a situation that otherwise escalates into a Case for the Ombudsman. Many reputable removers already have this in place.

Insurance

Although the Ombudsman does not deal with insurance claims, frequently there is mention of difficulty with a claim. The regulations changed at the beginning of 2005, and

different types of insurance policy are now available to the removals industry. Sometimes the removal companies themselves are not familiar with the process, and the delays in processing claims are sometimes inordinate. I would like to see each removal company provide their clients with a clear statement about insurance claims at the appropriate time. A delay by the removal company is an issue which the Ombudsman may investigate.

Non-professional behaviour

A number of complaints were received which included complaints about rudeness, foul language and shouting over the telephone. These are seldom witnessed, and so I cannot take account of them, although other objective instances of unprofessional behaviour were noted.

Perhaps this is because most transactions in this industry are 'one-off' rather than part of an on-going relationship, so the conventions of politeness are not seen as important.

Conclusion

The companies which are members of the Ombudsman Scheme are on the whole among the best in the country. They have been independently inspected to ensure that they are operating legally, they are usually well established, have sufficient equipment and use staff who have been professionally trained. In general, the complaints are relatively minor, and awards against the companies are modest on the whole. There has only been one major complaint, where one-third of the client's household goods never emerged from storage. That case is currently going through the courts.

I have noted that a number of consumers who have been let down badly by their unaffiliated removal companies have called for nationwide compulsory membership of an Ombudsman Scheme. This should be our long-term aim.

CASE STUDIES

This section illustrates types of problems and how they are dealt with. (The cases are taken from 2004 to 2006)

1. Problems arising from Storage

The Removal Company took Ms A's household goods into storage for 3 months, after which they were placed in her new accommodation.

The principal complaint concerned an armchair, which needed to be re-upholstered and re-covered for it to be usable. Ms A's claim was that mouse damage occurred while in storage. Other damage was sustained to a used canvas bag costing £25, and to dried flowers, which the complainant said that she used in floral displays. It would cost a lot to replace them, although she initially gathered them herself from fields. For the removal, Ms A acknowledges that they were 'just tied in a bunch'.

Amongst Ms A's complaints were: unprofessional conduct; exaggerated claims of quality of care; unacceptable standards of customer service, and negligence in allowing rodents into containers which caused significant damage.

The Ombudsman carried out research into the care and storage of dried flower material, and found directions on long term care. If Ms A was using her dried materials professionally, it would have been expected that they would be pre-packed in a tightly sealed container.

The white upholstered chair had been purchased ten years before, and was 'grubby'. That it was going to be re-covered was agreed by both parties. Ms A complained that it would have to be re-upholstered as well because of rodent damage, caused by an infestation during storage. The Removal Company said that they had found a box of chocolates among her goods in that container, which was disputed by Ms A. Other upholstered furniture had not suffered.

The complaints were assessed as follows:

Unprofessional conduct: A letter from Ms A to the Removal Company should have been acknowledged. This was noted, and an apology made before it came to the Ombudsman. At the time of the removal from storage, the condition of the chair was noted by the removers, and the company stated they were willing to make a contribution towards the extra cost of upholstering the chair. The complaint of unprofessional conduct was not upheld.

Exaggerated claims of quality of care and unacceptable standards of customer service: The Company acknowledged that as there were some problems, they offered her £25

towards the cost of the bag, and a contribution towards the cost of the re-upholstering of the chair. However careful a removal company may be, there will inevitably be occasions when something untoward happens. This does not necessarily undermine a claim to give a quality service. In this case, a problem was acknowledged, and an offer to make amends was given. This aspect was not upheld.

Negligence, as in 'allowing' rodents to enter one of the containers was one of the issues in dispute, which could not be resolved.

Conclusion: Ms A produced an estimate for the cost of repair of the chair as £500 plus about £110 for cloth. It seemed unreasonable to seek more than a modest contribution towards the repair of the chair, and so the Ombudsman supported the payment of £25 towards the cost of the canvas bag, and awarded £65 towards the repair of the chair.

2. Damage to furniture

For a move from southern England to Scotland, Mr B selected a removal company on personal recommendation, and on the estimating visit it was made clear that most of the furniture was pine and therefore extra care would be needed.

During the removal, a pine dresser was badly scratched on top, and there were also "a few little dents on various other items". Mr B stated that subsequently the Removal Company found a suitable person to repair the dresser and arranged a quotation. The Removal Company confirmed the cost was in the region of £200 to £300.

However, Mr B then received a letter offering him compensation for damage according to their standard terms of business, and was sent a cheque for £40, which he declined, and returned. He complained that the Removal Company

- a) failed to provide an adequate service, resulting in damage to furniture;
- b) failed to respond to letters, and
- c) offered inadequate compensation.

This discussion will concentrate on the repair to the dresser. Mr B stated that he felt at the time that if the dresser was properly repaired, he would be prepared to overlook the slight damage to the other items.

Initially the Removal Company accepted responsibility for the damaged dresser and an attempt was made to find a furniture restorer. However, this was not put in writing, and instead, some weeks later, it appears that a decision was taken to revert to the company's standard clauses.

Mr B said that he had declined to take out insurance with the Removal Company first, because he was impressed by their reputation, and second, because of the high excess cost. Similarly, the excess on his own household insurance policy was £250. The Removal Company stated that even if he had taken out their insurance policy, once the

excess had been taken into account, their offer of £40 was not unreasonable. Both these points of view were valid.

However, if Mr B had not been misled into thinking that the cost of repairs to the dresser would be underwritten by the Removal Company, then he might have made a claim for all four damaged items, which would have come close to the cost he is now willing to accept. Three letters written to the Removal Company Ltd were ignored.

The Ombudsman decided that the Removal Company had failed to provide an adequate service, resulting in damage to furniture. They had also failed to respond to letters.

When it came to consider the insurance cover and compensation, under the terms of the contract in force, the Removal Company did offer compensation. However their actions at the time, i.e. implying that one greatly damaged item would be repaired at their expense, meant that the client did not make a claim for the other items under the contract.

Conclusion: Mr B wrote that he would accept £200 from the Removal Company in settlement of the dispute. The purpose of this adjudication was to ensure the repair to the dresser. Mr B was prepared to tolerate the other minor damage.

The Ombudsman declared that the invoice (or a copy) for the cost of the repair should be sent to the Removal Company, and if the cost was in excess of £200, they should forward this sum to Mr B; if it was less, they should pay the full price of the repair.

3 Differing Standards

Mr C. and his mother were moved from one street to another a short distance away. This took two days, and a complete packing service was included. The main complaint was that the packing was not carried out with reasonable care and skill, and that some damage was sustained. Other complaints emerged and were considered. Insurance cover was invoked and was paid. Mr C. demanded a complete refund of the removal cost.

To assist the Ombudsman, photographs were taken of the allegedly badly packed items. What the packers had done was to pack together all the goods found in a room, which would also assist unpacking. For example, all the items found in the cupboard next to the bed were in one box. The client complained that a glass ornament in a box was packed next to his pyjamas. When the photographs were examined, the packing seemed to be consistent with a short removal.

Other complaints concerned spillage from open boxes of foodstuffs, and that bottles of liquid were not placed inside plastic bags. It was pointed out to the client that removal companies are not obliged to pack bottles of liquid, and spillages are excluded from insurance. Also, I would expect a householder to seal boxes of food before a move.

A small amount of garden earth on the floor was complained about; there was a complaint about a porter's dirty hands; the client took exception to a joking remark, and

he alleged that there had been an altercation with a neighbour about parking the removal vehicle.

Conclusion: The complainant's request for a complete refund was not upheld, but there was no doubt he was highly distressed because his own high standards were not reached. He was awarded £30, and the Removal Company was asked to send flowers to the neighbours if they felt that offence might have been caused.

4. Moving Abroad

This case involved a removal abroad, an exercise which is inherently riskier than the usual domestic move. The complaint concerned poor standards of packing, and inordinate procrastination in responding to the complaint. The clients were seeking half their costs plus a refund of £3,500.

Mr and Mrs D wanted some of the boxes delivered to a temporary home, and the rest into storage, where they were to remain, still packed, for about two years. Because of the variable nature of the packing – some goods were well protected, whereas others were not, the complaint about poor standards was upheld. Further evidence demonstrated the very poor response from the Removal Company in dealing with the problem, so this was also upheld. But to illustrate the complications, it should be pointed out that the clients were also angry because many of the boxes were delivered to the wrong place. Investigation showed that the delivery took place on a dark day in winter, illumination was the light of lorry headlamps, and the colour coding on the boxes did not help. None of this was the fault of the Removal Company .

Conclusion: The Ombudsman asked the Removal Company to honour their earlier offer of compensation of £1,000, and awarded an extra £300.

5 Overcharging

Mr and Mr E, an elderly couple, booked a full packing and unpacking service from the Removal Company. Although the distance was not far, two days were allocated to the move, the first day for packing and loading one van, on the second day the second van was to be loaded and both unloaded at the new home.

The first day went as planned, but, but on the second day there was a delay and the key was not released until about 3.30 pm. The Removal Company claimed that because of school traffic, and not being able to get into the driveway it was not possible to unpack that day and they would have to return the following day. Mr and Mrs E. had no choice at that stage but to agree, and were forced to pay another £900 in cash. The complainants found this episode highly inconvenient and very stressful, and Mrs E had to receive emergency medical attention that evening. The principal complaint was being overcharged.

It is a well-known problem in the removal industry that late completion of house sales can and does happen all too frequently. Removal companies often include a note in their Terms and Conditions as to the extra charges that would be incurred in this event. These are relatively modest.

The Removal Company's reasons for having to return the following day included 'long hours of work' and referred to the Working Time Directive. The porters however had a long period in the middle of day waiting for the key, and as the WTD refers to hours over a specified period, this excuse was dismissed. The driver claimed that he could not get access to the property (but in fact the van was parked across the road although there was room in front of the house), the volume of school traffic (but this did not last long and was over by the time it came to unload) and they did not use the driveway on the third day anyway. These details were confirmed by a friend of the complainants, who lived locally, and was present on the removal days.

Conclusion: The Ombudsman accepted that because of the delay in obtaining the key some delay in completing the unloading was probably inevitable, and rough calculations were made. Her conclusion was that the Removal Company should return £550 to Mr and Mrs E, which included some compensation for stress. This was acceptable to both parties.

CONTACT THE OMBUDSMAN

REMOVALS INDUSTRY OMBUDSMAN
P. O. BOX 771
TRING
HERTFORDSHIRE
HP23 5XB

Tel: 01442 891736

e-mail: removalombudsman@btconnect.com

www.removalsombudsman.org.uk