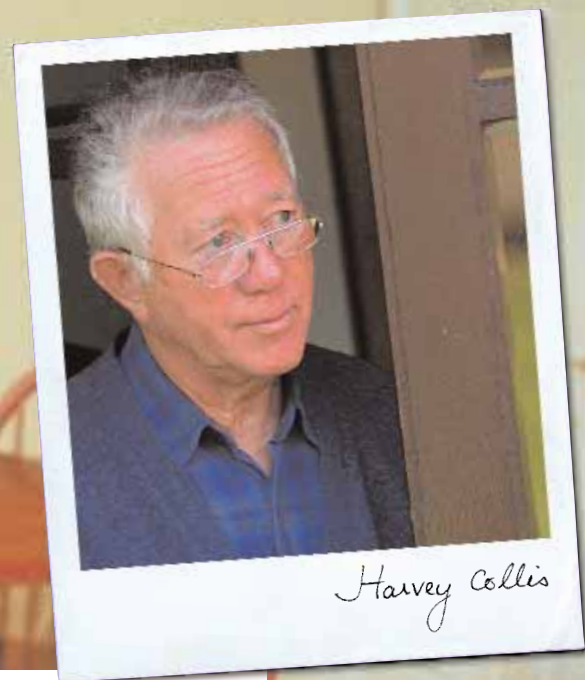


[inside story]

Consumer stories that make a difference



Fight back against unfair loan deals

We helped one reader save almost £7,000 in interest after she found herself trapped in a high-interest loan secured against her home. Now we want to help more people fight back against some lenders' unfair loan agreements, exorbitant fees and interest rates.

Ruth Le Feux turned to us after being told she'd have to pay £20,750 to get out of her £11,500 mortgage with lender London North Securities – having already paid back almost £29,000.

Ruth said: 'I was horrified when London North told me I still had more than £20,000 to pay. That meant a loan of £11,500 for just ten years had cost me almost £50,000. It just didn't seem right.'

We challenged London North and it reduced the redemption figure to £14,000 – still too much in our view, but Ruth had to settle because she was moving home and up against a deadline.

Since then we've heard even worse stories about loans with London North and its sister company Broadwick Financial Services.

Rick Jones from Nottingham borrowed £7,700 in 1991 and, despite having paid back £28,000, still owes a staggering £110,000.

The reason these loans turn into massive debts lies in the way high interest charges are applied to costs such as legal fees and commission – we've

seen rates as high as 38 per cent. In Ruth's case, a £667 fee added to the loan at the start had grown to over £7,000 by the time she wanted to pay it off. And part of Rick's massive debt accrued because thousands of pounds of interest built up on a small upfront fee of £259.

It's worse if you go into arrears. Even when the arrears are paid back, the interest on them often keeps accruing until the loan is redeemed. At a typical rate of 35 per cent, the debt quickly grows to mammoth proportions.

However, a landmark case in October 2004 has brought hope to people trapped in unfair agreements. Michelle and Tony Meadows had their £384,000 debt with London North written off after the judge described the interest charged on the couple's arrears as 'grossly exorbitant' and ruled the loan unenforceable.

ACTION POINT

If you think you're trapped in similar agreement, we're keen to hear from you. Please contact Claire Hill at whichactionteams@which.co.uk or write to her at the address on p27.

Ruth found out by chance that she still owed £20,000. *Inset:* Harvey Collis, Director of lenders London North Securities and Broadwick Financial Services. Rates of interest he charged have been described by one judge as 'exorbitant'. But we've found some redemption fees may not be enforceable

'I was horrified when London North told me I still had more than £20,000 to pay'

Ruth Le Feux

roundup

BEST RETAILER

Waitrose has been voted Britain's favourite store in the poll we carried out last November and December. We asked more than 2,000 shoppers to rate 42 high-street chains for overall satisfaction. Second was John Lewis for electricals and third was Marks & Spencer for groceries.

A REAL PERSON

A new website helps people get round major UK companies' automated answering systems. The site www.paulenglish.com/ivr reveals the secret of how to talk to a human at firms including Sky, Amazon and NTL.

TRUSTMARK

A logo to help people identify reliable tradespeople has been launched. All firms with the TrustMark sticker have signed up to a code and have a complaints process. Visit the website www.trustmark.org.uk to find an approved company.

CHECK-IN FEE

Ryanair will charge travellers to check in bags from 16 March. It will cost £2.50 if you booked your ticket online, or £5 at the airport. Carry-on bags up to 10kg remain free. Ryanair is cutting fares by £2.50 as a result. Flybe began making similar charges last month. For more, see 'The public's view', p9.



One Bill backs down

One Bill Telecom has backed down over the £40 bill it gave Bill Lewis for switching phone company. When we queried the charge, it said that collecting it wasn't worth the hassle.

Bill wanted to switch to BT after his line went down on a Saturday and One Bill said his service didn't cover weekend repairs.

When he'd joined One Bill 18 months earlier, Bill was tied into a rolling 12-month contract. Switching cost £25 plus a £15 'line transfer' charge.

Bill said: 'There's no doubt the terms were in the fine print but One Bill didn't mention it when making its pitch.'

One Bill told us it has since changed its rules after intervention from trading standards officers, who said it's wrong to just sign up customers for another year when the first year is up. It's also scrapped the £15 fee.

ACTION POINT

If you think a contract is unfair, tell Ofcom on 020 7981 3040.

Book club threatens loyal customers

Readers signing up to Britain's largest mail-order book club say they're more likely to end up reading threatening letters than bestsellers.

We've had a steady stream of complaints about BCA, which runs a number of book clubs, including Military and Aviation, TSP and World Books.

Readers say they're sent books they haven't ordered and are threatened with debt collection agencies and legal action if they don't pay up.

Mike Goundry of Tyne and Wear was so fed up with TSP that he cancelled his membership. But it kept sending him books. It threatened that if he didn't pay £54 for unwanted books, his bill would be given to a debt recovery agency.

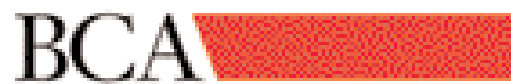
'It was eventually sorted, but I worried about the effect it could have on my credit rating,' Mike said.

BCA is a member of the Direct Marketing Association (DMA). In July it gave BCA its final warning after a 'significantly increased' number of complaints.

BCA admitted to us that there'd been problems but said that these had been addressed. It added that complaints had fallen 'dramatically' over the past eight months.

ACTION POINT

If the company causing problems is a member of the DMA, you can report it on 020 7291 3389.



What price a hotel cooked breakfast?

The Ritz in London takes the prize for what we think is the most expensive cooked hotel breakfast in the UK. It costs £30.

Following close behind are The

Lanesborough (£28.50), Mandarin Oriental (£28) and Brown's Hotel (£27), all in London.

The Ritz justified its prices, saying: 'We don't think our prices differ

from other London hotels of a similar quality. You get a full selection from the buffet as well as a cooked breakfast and these items are going to be more expensive than in other hotels.'

Brown's said: 'We pitch our prices where we feel our competitors are as well.'

But experts have criticised the prices charged for such a straightforward meal. Andy Turvil, editor of the *Which? Good Food Guide*, said: 'Lunch or dinner might have "value" added by the

chef. But breakfast is a case of cooking up the ingredients, however well sourced they might be.'

Andy recently went along to the Ritz to try out the pricey cooked breakfast and he wasn't impressed: 'I felt it lacked any "wow" factor. And my egg was overcooked.'

On the plus side, we did spot one bargain in our trawl of prices. London County Hall Premier Travel Inn charges only £6.95 for a cooked breakfast, and children under ten eat free.



Our food expert wasn't impressed with this £30 breakfast at The Ritz

Builder's shocking tantrum

When Trevor Greenaway complained about the work on his conservatory, he didn't expect the director of the firm to have a tantrum and help himself to the windows and doors.

Wolverhampton-based UPVC Warehouse touts itself as 'installers of quality conservatories' and claims: 'With us, everyone is a winner'.

But reader Trevor feels like a major loser. He's been left with an incomplete conservatory since July, when staff took back the already-fitted windows and doors after he'd withheld £1,000 in a dispute over the quality of work.

The dispute came to a head when the company's boss John Robinson lashed out. Trevor said: 'He agreed to meet me to talk about my concerns, but before I could begin he screwed up my list of complaints, threw it on the floor and started screaming: "I want my money" repeatedly. He wouldn't leave until I'd agreed to give him £1,000 in cash the next morning.'

Trevor ordered the £10,000 conservatory for the dream house he's building for his retirement. He initially paid a £2,500 deposit and agreed to pay the balance on completion of the job.

But part way through, Mr Robinson insisted on having the rest of the cash. Trevor said: 'I paid him a total of £9,000 because Robinson



Trevor, above, complained about quality of work on his new conservatory

persuaded me that I was 90 per cent happy with the job. I wasn't totally happy; the locks weren't right and there was no waterproofing. Then it all turned nasty.'

Shocked by Mr Robinson's behaviour, Trevor reported him to the police. But while Trevor was being interviewed, the firm removed the conservatory windows and doors.

Mr Robinson denied having a tantrum. He said: 'The goods remain the property of the company until paid in full, so I just took what's mine.'

The company took back the conservatory windows and doors

ACTION POINT

If you are not entirely happy with work carried out, you are allowed to withhold the amount of money it would cost you to put it right.



[fighting your corner]

Which?'s Liz Edwards takes on big companies for you

Some companies crop up like a bad penny. When Hazel Wood told us MFI had botched her kitchen, the story had a familiar ker-ching.

Only five months ago we featured 88-year-old Mary

Harborne, who had to wash up in her garden for two weeks because of MFI's blunders.

Hazel's woes began when the company sent Laurel and Hardy to fit the kitchen at her Kent home last September. The 55-year-old carer said: 'They sawed through a drawer, burned the sink and ruined the washing machine outlet.'

She also alleged that the pair stole a bottle of wine and some whisky, which they denied.

One fitter insisted that Hazel would need new sockets, although she'd agreed with MFI that she wouldn't. But the fitter stood firm, citing

MFI rules. He insisted on a cheque for £220 for the extra work on top of the £1,948 she'd paid for the units and installation.

Then followed a farce concerning 'Gary', who was to replace the burned sink but seemed to exist only as a voice on an answerphone. After two no-shows by Gary, and weeks without a sink, Hazel decided to

buy another sink and have it fitted.

We asked MFI what it was playing at. It apologised and said the fitters – sub-contractors – no longer did work for MFI due to their 'performance'. MFI gave Hazel £1,850 to cover the cost of putting things right and as 'goodwill' for the hassle.



Company lied to get mail orders

We didn't think anyone could top the offer of a 'free camcorder' that was really a pencil. But the firm behind this has landed a £9,000 fine and a conviction for falsely describing goods after it came up with three other gems.

Topping the bill was the mailshot offering a free 'hi-speed microwave cooker' – which was in fact the plastic bowl inside it (pictured below). Then there was the 'free expression coffee maker'. The picture showed an electric model but the gift was a manual cafetière. Last, there was a 'free phone'. The picture showed a mobile, but the gift was a home phone.

The mailings were sent mainly last year by a catalogue giant, to encourage orders. The firm

The free microwave on offer turned out to be a plastic bowl

behind them is Bradford-based Redcats (Brands) Ltd, which owns Empire Stores, Daxon and other catalogue shopping companies.

Trading standards officers from West Yorkshire received 22 complaints about the three mailings and decided that Redcats had pushed its luck. In January, it was convicted of five trade descriptions offences concerning the three mailshots, and fined £9,000 plus £933 costs.

David Lodge, of West Yorkshire Trading Standards Service, described the company's actions as 'quite blatant'.

In July, we exposed Empire for promising customers a free camcorder if they placed an order. But they got a pen and pencil. Similarly, Daxon customers offered a 30-inch Toshiba TV as a gift received a tiny TV worth about £10.

Reserved especially for you.....

A FREE Hi-Speed Microwave Cooker!



The bowl inside was free, but the microwave wasn't



Raining umbrellas: John Large and his wife Valerie received four unwanted charity brollies

Charity begging letters

The Charity Commission says it can't stop charities bombarding the public with begging letters and gifts.

John and Valerie Large already support several charities. But their generosity has led them to be targeted by a host of smaller charities.

Feed My People has sent the couple four umbrellas and a letter 'virtually blackmailing' them into sending a suggested £15 donation. Another sent some gloves and a letter proposing a donation of £15, and a third sent frequent letters suggesting donations of up to £100. 'We're both in our 80s and these letters and unsolicited gifts put us in an

unenviable situation,' said John.

The Charity Commission said that it didn't have the powers to get involved in 'the internal administration of a charity'.

It says people should sign up with the Mailing Preference Service, which removes registered names and addresses from mailing lists. Failing that, they should contact charities individually and ask to be removed from their lists.

ACTION POINT

To register with the Mailing Preference Service, visit www.mpsonline.org.uk and click 'register'.

Clearer bill binned

Householders won't benefit from clearer utility bills after regulators rejected a standardised format.

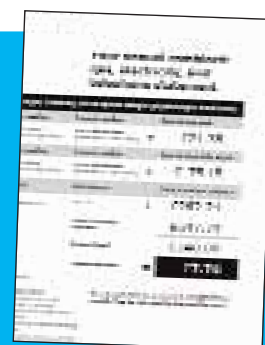
The new template (right) was developed by BSI British Standards and consumer groups, including Which?. But water regulator Ofwat and telecoms regulator Ofcom won't ask firms to use it.

The format would help customers see immediately how much a service had cost in a set period

and the breakdown of costs, such as service charges.

Ofcom said that telecoms billing is inherently more complicated than other utility billing so BSI's template would 'not be appropriate'.

The Energy Retail Association, which represents energy suppliers such as British Gas and Powergen, is developing its own standard. It said that it felt that the BSI's proposed format



would cost customers more money.

But improvements are needed. When we analysed bills from eight utility companies, we found seven that didn't even give the date of the last meter reading on the main page.

Food industry labelling confusion

This month the Food Standards Agency (FSA) is due to unveil a labelling scheme that will highlight how much fat, salt and sugar are in foods.

Labels on the front of packs will 'signpost' the level of these ingredients, so you can spot, say, fatty foods at a glance.

The idea of the voluntary scheme is to cut confusion by simplifying the plethora of logos and claims about healthiness that litter food packaging; all would carry the same symbols.

However, it seems that some companies aren't keen on making

life simple for consumers. Several won't be using the scheme, despite the extensive research behind it.

We challenged the four major supermarket chains to tell us their plans.

Sainsbury's said it would stick with its own 'Wheel of Health', launched in January 2005. This shows salt, sugar, fat and calorie content, and is colour-coded to flag up high amounts.

Tesco, which launched its own colourful 'signposts' in April last year, refused to say whether or not it would adopt the FSA



'Companies that develop their own schemes will add to the confusion'

Sue Davies

scheme. It claims its own scheme meets the same objectives. But its colours could add to confusion, since the FSA is likely to use colours but in a different way.

Morrisons – which doesn't have a scheme

yet – wouldn't commit itself before seeing the FSA's final version.

Only Asda said it was working with the FSA in the hope that a universal scheme could be launched.

Meanwhile, five food manufacturers have

said they'll share their own scheme. Danone, Kellogg's, Kraft, Nestlé and PepsiCo plan to indicate on packs the amount of calories, fat, sugar, saturates and salt per portion. This will be shown as a percentage of a person's guideline daily amount, too.

Which? Chief Policy Adviser Sue Davies said: 'Companies that develop their own schemes will add to the confusion.'

THE PUBLIC'S VIEW

This month Ryanair begins charging for checked-in luggage (see 'Check-in fee', p6, for details). We asked: Do you welcome the idea of budget airlines charging separately for checked-in luggage?

DON'T KNOW: 11%

YES: 31%

NO: 59%

Survey of 1,067 adults carried out online for Which? by Explorandum between 6 and 8 February. Findings don't necessarily represent our views.

And finally... Young boozers

We always welcome safety warnings on medicines. But when we saw this one on Tixylix cough medicine, our first thought was of a young toddler hitting the booze and operating a mechanical lathe.

IF SYMPTOMS PERSIST FOR 7 DAYS CONSULT YOUR DOCTOR.
WARNING: Do not exceed the stated dose. May cause drowsiness. If affected do not drive or operate machinery. Avoid alcoholic drink.
CONTENTS: Each 5ml oral solution contains Hydrocodone Ph Eur 1.5 mg and



Send your examples of daft or misleading products or promotions to Liz Edwards, PO Box 44, Hertford X, SG14 1SH

contact inside story

If there's something you'd like us to investigate, leave a message on the Inside Story Hotline on 0800 252088 (calls are

free) or email insidestory@which.co.uk. We're sorry but we can't reply to calls and emails individually.