

[inside story]

Consumer stories that make a difference



Car check can't tell if car's a wreck

Jonathan ended up selling his car for £700 for scrap and spares



Don't rely on a £40 car check to give you peace of mind when buying a second-hand car. The guarantees offered by the companies selling these services can lull you into a false sense of security.

Motoring organisation the AA and car-check specialist HPI are the two main providers of this service. HPI, which promises to tell you whether your prospective buy is 'clocked, nicked, knackered, or on the never-never' is the company you'll be directed to if you contact the RAC for a car check. But the AA and HPI only pass on information from insurance and finance companies and the Driver and Vehicle Licensing Agency – they don't verify it.

Reader Jonathan Scurlock discovered this to his cost, when he paid HPI £38 for a background check on a G-registration BMW convertible. The check showed that the £2,100 car had been in two accidents and was classed as a category-C write-off. This means the damage could be repaired.

But two months later Jonathan had problems with the steering. The mechanics who examined the car said that it had been in a head-on crash that had mangled the steering so badly that the car shouldn't have been on the road.

Rather than risk driving it, Jonathan sold it for £700 for spares. He thought he'd receive a refund under HPI's promise to compensate up to £10,000 for inaccurate or incomplete information. But HPI rejected the claim, saying it only forwards data from insurance companies and isn't to blame if an insurer wrongly assesses the damage.

Jonathan said: 'I was shocked. HPI is widely recommended for background checks before buying a used car, yet I found its guarantee of "accuracy and completeness" to be worthless.'

HPI said: 'We are satisfied that HPI accurately reflected the insurance history of the vehicle, so the question of a claim does not arise.' It added that it found it 'very surprising' for a buyer to go ahead with the purchase of a convertible car that's been written off twice without getting someone to independently verify the condition of the car. But Jonathan insists that an engineer's inspection wasn't practical when buying a cheap car.

The AA said that, under its car data check, the same rules would apply: 'The AA has always recommended prospective buyers get write-offs

"I found its guarantee to be worthless Jonathan"

inspected by a qualified engineer to ensure that they have been repaired properly.'

ACTION POINT

We still think AA and HPI checks are worthwhile. But if you want extra reassurance when buying a second-hand car, it's best to pay for an engineer to check it as well.

SLC lacks TLC

The Student Loans Company (SLC) is to improve its information to graduates after *Which?* reader Anna Risius complained that it was taking extra payments from her salary.

Anna paid a lump sum to clear her student loan in June 2003, so she was shocked in April 2004 when her employer began to deduct £80 a month for it.

If you started university after 1 September 1998, the system for calculating how much you owe on your loan is complicated. Your employer tells the Inland Revenue (IR) what it deducts from your salary and the IR passes this information on to SLC once a year. Until then, SLC may not have an accurate idea of the size of your debt, unless you give it copies of payslips.

SLC said that it couldn't stop Anna's loan payments because she hadn't sent in her payslips. But it hadn't made it clear to Anna that she needed to.

SLC told us that Anna's experience will 'lead to an improved service for other repaying customers'.

Baby drinks antifreeze left by Volkswagen

Two-year-old Arthur was rushed to hospital after drinking windscreen wash

round-up

CARD PERKS

Watch out for credit card firms swapping free card benefits for 'improved' perks. Barclaycard has ditched its travel accident insurance, price promise and extended warranty. One so-called improved perk is fraud protection. It will now call you if it spots unusual spending on your card. But it is supposed to do this anyway.

PHONE CRIME

You can register your mobile phone free on a national database at www.menduk.org in case it's stolen. Police will use the data to trace owners of stolen or lost mobiles they recover.

LOAN SCAMS

The Office of Fair Trading (OFT) is warning of fraudulent loan offers. Newspaper adverts offer fast personal loans regardless of credit history, and applicants have to transfer a fee to cover insurance but then never see their loan. The OFT says that some people have lost £4,000 in the scam.

Volkswagen has promised to tighten up its safety procedures after two-year old Arthur Ostin was nearly poisoned when he drank from a bottle of windscreen wash.

Staff at a Norfolk Volkswagen garage had left the bottle of windscreen wash, which contains antifreeze, under the seat of his dad's car after a routine service.

Arthur was rushed to hospital by ambulance, and his parents, Olav and Lucy, faced an anxious wait while tests were carried out. To everyone's relief, Arthur came to no serious harm. 'Arthur was lucky,' said Olav. 'I assume he didn't drink too much of it.'

Olav contacted Volkswagen to find out why it had left the bottle in his car without warning or a child safety cap. It replied simply that it did not 'consider it necessary to put a safety cap on the product'.

Horrified by this reaction, Olav contacted us. 'My child only drank a little. What if another child drank a lot?' he said.

Volkswagen told us that its intention was to do customers a service by leaving unfinished bottles in the car after a service. But it will now send a

bulletin to all its UK retailers asking them to tell customers when part-used bottles of fluid are left in vehicles following a service.

'We are also looking into the issue of child safety caps on recommended merchandise sold through our retailers,' it added.

Compensation boost for air passengers

Air passengers who endure cancellations, delays and airline overbooking will be entitled to more compensation under new rules.

But the International Air Transport Association (IATA) has mounted a legal challenge against the European Union

legislation and says the rules will actually mean a raw deal for travellers.

From 17 February, the rules mean that passengers who can't fly because airlines have deliberately sold more tickets than there are seats will receive compensation ranging from €250 (£172) for short-haul flights to

€600 (£414) for long-distance flights. The same applies if flights are cancelled at less than two weeks' notice.

For long delays, airlines will have to provide meals and refreshments, as well as free hotels if passengers cannot fly until the next day. If delays are longer than five hours, airlines will also have to offer a refund within a week if passengers don't fly.

But IATA thinks the rules are unfair as they will punish airlines for situations beyond their control. It says that the regulations will make airlines more cautious about using airports that suffer from poor

weather conditions and fears airlines will be forced to raise fares.

IATA's objections have been referred to the European Court of Justice. IATA is optimistic that the regulations will be overturned but concedes that this may not happen before the 17 February deadline.

'This legislation puts an unfair burden on airlines and makes us responsible for something we cannot control,' said an IATA spokesman. 'We are not saying we accept no responsibility but we think we should be responsible only when it is our fault.'

EasyJet believes airlines shouldn't be liable for events beyond their control



Desperately seeking compensation

It may say 'special' on the label but for one *Which?* reader the Royal Mail's priority delivery service is anything but first class.

Last August Louise Moroney needed to send tickets for a Madonna concert the following day from her Nottingham home to a friend in Kent. Louise says she rang Royal Mail and was advised to use special delivery as it would guarantee the tickets arrived in time – or she would get her money back.

But the tickets didn't show up until the day after the concert, leaving Louise £327 out of pocket.

Louise thought she'd be able to claim this back because insurance was included in the £3.75 special delivery charge. But Royal Mail staff said the insurance covered only loss or damage and that she should have taken out another



policy for financial loss due to delay, for £1.25.

'It told me I should have taken out consequential loss insurance, but at no time was I advised to do this – not when I rang up or at the post office. I saw no posters or leaflets for it and I thought I was fully insured,' she said. 'I didn't know I needed this insurance.'

We asked the Royal Mail why Louise hadn't been told she needed extra insurance. It said: 'Although we do not refer to it on our certificate of posting, as space is limited, information is available

on our website, in our leaflets and from our customer advisers. We do not demand knowledge of the contents of an item and can only advise if specific information is provided.'

We asked Royal Mail whether it would reimburse Louise as a goodwill gesture. It said no.

ACTION POINT

When paying extra for a delivery, check terms and conditions first. Full details of special delivery and other services are available at www.royalmail.com.

Quote me unhappy

Despite Norwich Union's (NU) cheery advertising campaign, you could have a miserable retirement if you take out one of its new pensions, where almost half of your premiums go to pay charges.

NU is the latest provider to start selling pensions that have an uncanny resemblance to the old-style, high-charging, high-premium policies that pre-dated stakeholder pensions.

With NU's new scheme you pay 20 per cent of your first two years' premiums or 10 per cent of your first five years' premiums in upfront charges to cover commission to your financial adviser. On top of that, you pay an annual fund management charge of up to 1 per cent on NU's own funds or up to 1.9 per cent for non-NU funds.

The combined effect of these charges is to hugely reduce what you get back. For example, a 30-year plan where you pay £200 a month could be worth as much as £39,000 less than a stakeholder pension. That's about £55 a week less pension.

High upfront charges also mean you're stuck with the provider, even if its performance is dire, because, if you transfer in the early years, you lose the charges you've paid. The only way to avoid the charges is to pay your financial adviser a fee instead.

NU will then drop its initial charge and lower the annual fee.

NU says the new pension has been designed to offer customers the choice of how to pay for advice.

ACTION POINT

Don't pay upfront charges. If necessary pay your adviser a fee. This will still cost you a lot less than £39,000.



When I owned a car I thought MOT stood for 'Misery On Tap'. Not that the mechanic seemed that miserable as he guffawed his way through an endless list of faults that ensured I was reduced to penury

[fighting your corner]

Which?'s Simon Spruce takes on big companies for you

and he could spend half the next year lounging in the Bahamas.

When Helen Steadman took her three-year-old Mercedes A160 for its first MOT at the end of last October, the garage advised her to return it to the dealer because the engine and airbag lights were on.

Helen did so six days later, happy that any

work would be covered by the three-year warranty. But she was told that fixing the car would cost £1,000 – the warranty had run out three days earlier.



'Apparently the warranty runs from the date of registration, and not from the date you get the car,' said Helen. 'I couldn't believe it. Clearly, the fault developed within the warranty period, so it should have been covered.'

I asked Mercedes why Helen's car wasn't covered by her warranty, particularly as such a

problem is unusual on a new car. It told me it was 'standard procedure' for new-car warranties to run from registration and not from when a car is picked up.

But it agreed to pay the full cost of Helen's bill out of goodwill. If you want to claim on your warranty, check the small print.

OFT stops Belgian tricksters

A Belgian company that fooled people into thinking that they had won large cash prizes has been stopped from conning consumers with misleading claims.

This is the first ever cross-border court action taken in Europe to stop a trader in one country from deceiving consumers in another. It's good news, as it helps clear the way for similar actions against overseas companies that try to rip people off.

D Duchesne SA, which trades in the UK as TV Direct Distribution and Just 4 You, has been sending around a million unsolicited mail-order catalogues to UK residents each month.

People were also told they'd won a large cash prize, typically £10,000, but many were led to

People were unlikely to receive the cash they thought they'd won

believe that they had to make a purchase from the catalogue in order to secure their win. The Belgian company received around 4,000 orders a day from its catalogues.

However, the prizewinners were pre-selected and the vast majority of catalogue recipients were unlikely to receive the cash prize they thought they had won. Hundreds of angry consumers complained to the Office of Fair Trading (OFT), which found that D Duchesne SA's prize notifications were misleading.

The commercial court in Brussels has now ruled in favour of the OFT. It has issued an injunction that will prevent the company from making similar misleading claims in connection with its home-shopping catalogue business.

John Vickers, OFT chairman, welcomed the judgement. 'This is a ground-breaking court action,' he said. 'Consumers in the UK are increasingly being targeted from abroad and this case demonstrates the OFT's commitment to using its cross-border powers to protect the interests of consumers.'



Energywatch power failure

Energywatch has admitted it hasn't been standing up for consumer rights because it didn't know the extent of its powers.

The energy watchdog has the muscle to challenge the price of gas and electricity connections, but it failed to help Edward Whelan battle against a 'rip-off' quote for a new gas meter.

connection to his London flat. It sent a surveyor from gas pipework company Transco, who said he would need one metre of pipe to link his meter to others in his block, and quoted £724. In 1998, Edward had been quoted £88 for the job.

Edward said: 'It's a complete rip-off. The charge has no relation to the actual cost of fitting.'

challenge quotes. Ofgem slammed the watchdog, and ordered Energywatch to investigate Edward's quote.

Ofgem said: 'We have reminded Energywatch that all connection charges can be challenged.' Energywatch said it had learnt a lesson.

Transco has since told us that Edward's quote was a 'substantial' mistake and has now quoted a lower price.

"All connection charges can be challenged Ofgem"

After our enquiries it confessed that it never challenged quotes from gas connection company Transco because it believed an 'industry myth' that standard charges were untouchable.

In September, Edward asked British Gas to quote for a gas

He complained to Energywatch and British Gas three times but both told him they were powerless to dispute 'a standard installation quote issued by Transco.'

It took gas regulator Ofgem to remind Energywatch of its powers, under the Gas and Electricity Act, to

ACTION POINT
The Gas and Electricity Act gives you the right to challenge the cost or design of any gas or electricity connection. Energywatch can investigate on your behalf. If you're still not happy, it can ask Ofgem to investigate.

Visit www.ofgem.gov.uk for more about energy connections.

Damages limit raised

From April all British consumers will have the same rights to compensation from incompetent solicitors, thanks to a decision by the Scottish parliament. It has bowed to our demands and increased to £5,000 the maximum compensation solicitors can be made to pay clients for poor service.

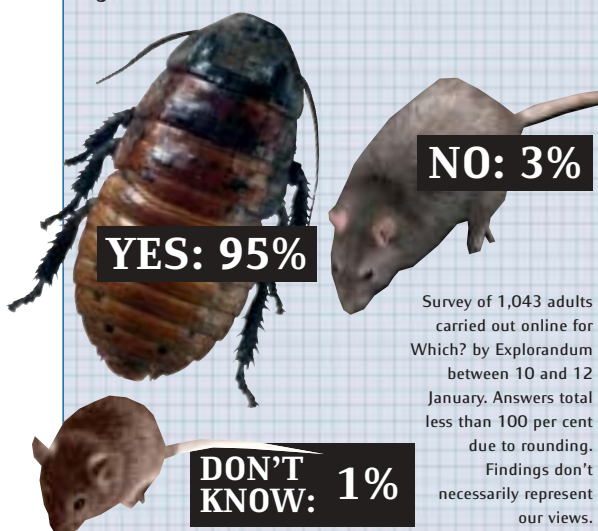
Previously, Scottish consumers pursuing more than £1,000 compensation had to go to court, which meant having to find a solicitor willing to act against another solicitor and bear the court costs.

The scales for compensation have tipped in favour of Scottish consumers



THE PUBLIC'S VIEW

All restaurants and food outlets are checked to see whether they meet basic standards of hygiene, but inspectors don't have to make this information public. Should the public have a right to know the score received?



Rogue website shut down

Which? has had an American website shut down after it tried to continue trading despite ripping-off one of our readers.

More than 18 months ago reader Dino Hempleman from Oxfordshire tried to buy a £195 computer monitor at FromTheStatesUK.co.uk. The site claimed to be able to import computer products, digital cameras and DVD players at cheaper prices than they could be bought in Britain.

But the person running the site fraudulently spent £2,000 on Dino's Egg Visa card, followed by another attempt the next day to spend £3,000. Fortunately, Egg noticed the second attempt and Dino cancelled the card and was issued with a new one.

'The people behind the site had been using the card to buy hi-fi equipment. We got all the money back but later, by pure fluke when I was looking for something else, I noticed the site was back up and running,' said Dino.

Dino contacted us and we contacted the police, who confirmed the site was American. As there is no international law governing the internet, the police couldn't take direct action against the site. So both Which? and the police wrote to Yahoo!, the company hosting the problem site, which shut the site down.

ACTION POINT

If you run into a similar problem, the police advise visiting www.samspace.org. Enter the website address to find out which company hosts the site. You can then contact the company and ask it to take action against the offending site. If you're worried about online fraud, shop at familiar websites.

Rugby fans try to stop ticket rip-off

Rugby fans say they're being forced to pay over the odds to support their team abroad.

This summer the UK's national rugby team, the British and Irish Lions, will tour New Zealand and play three test matches against the All Blacks. Simon Sadler from Hertford found that a basic package for the three matches and flights costs around £2,500. UK fans can buy tickets only as part of a package from official agents appointed by British Lions Ltd, the team's management. But New Zealanders can buy tickets at face value if they're successful in a public ballot.

We've calculated that the average price for three tickets is around £222, and got a quote for flights of £710 – which would save more than £1,500 if fans could buy the match tickets separately.

Simon's complaint was given short shrift by both the Minister for Sport and the Office of Fair Trading. It told him: 'On the assumption that the British Lions' tour will sell out it seems very unlikely that the tickets and flights/package tours have been sold at an excessive price.'



Simon's not converted by high package prices for the Lions' tour

Simon's now set up the website www.fairlionstickets.com, to get rugby fans a better deal. Simon says: 'Our goal is to break the link between tickets and packages so that UK fans can buy tickets at face value, travel independently to support their team and not pay through the nose for the privilege.'

British and Irish Lions Chief Executive John Feehan said: 'We have found in the past that if tickets are sold directly to the public a lot of unofficial tour operators Hoover them up and sell them on the black market for hugely inflated prices. We are anxious to ensure tickets end up with proper supporters and we can ensure this by using official travel agents.'

And finally... Guiding light

We often receive bizarre examples of operating instructions that have been translated from their original language into English. We were charmed by the instructions on this little torch packet from Thailand.



Send your examples of daft or misleading products or promotions to us at: Dept LE, 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 individually.