

[inside story]

Consumer stories that make a difference



£10,000 refund for family mis-sold insurance

The Ombudsman agreed with Cheryl and HSBC paid back the premiums

Which? has successfully helped one reader win back more than £10,000 after her husband was mis-sold income protection insurance.

In 2002 Cheryl Springall tried to claim on the HSBC policy, after her husband Pete had been diagnosed with cancer, but the couple discovered they weren't entitled to anything until he had been unable to work for six months.

Cheryl said: 'Pete was devastated. He'd never doubted the policy would look after us and had kept up the premiums even when he was ill.'

Pete Springall took out the HSBC policy in 1999 when he became self-employed. He wanted to make sure his family would be protected if anything happened to him. Although Cheryl worked, his income covered most of the mortgage and daily costs of bringing up their two sons, Simon and Tom.

Pete paid £217 a month, falsely believing that if he should fall ill and be unable to work, the policy would pay £1,850 a month – 50 per cent of his estimated earnings.

Pete died in December 2002, having paid more than £7,000 in premiums. A few days later Cheryl received the only payout on the policy – a cheque for £237.56. The payout was assessed on 50 per cent of Pete's earnings over the previous year, not his earnings when the policy was purchased. Cheryl said: 'I was so disgusted I never cashed the cheque.'

The adviser at HSBC had rightly advised Pete to take out income protection but wrongly

recommended a policy with a payout period of six months – too long for a self-employed person who, if he doesn't work, doesn't earn. The adviser should also have made it clear that any payout would be based on current earnings and not previous earnings.

Cheryl complained to HSBC but this was rejected so we took the complaint to the Financial Ombudsman Service (FOS). Initially the adjudicator agreed the policy had been mis-sold, but HSBC fought the case and the decision was reversed. We requested an ombudsman to review the case and eventually the complaint was upheld.

The ombudsman said: 'The policy wording is ambiguous and therefore the firm had a duty to

'We didn't want others

to go through what we did'

Cheryl Springall

make it plain to Mr Springall precisely how it [the policy] operated. I do not consider that it did so.'

HSBC was ordered to pay £10,450, made up of the premiums paid, plus interest at 8 per cent and £500 for stress and inconvenience.

Cheryl said: 'We fought the case because we didn't want others to go through what we did. Advisers should explain these policies properly.'

ATM win

The Treasury Select Committee investigating cash machine charges has supported our proposals for new labels on cash machines that make it clear whether they charge a fee.

The committee announced the results of its inquiry at the end of March.

The exact form of the new scheme is not yet decided. The one we proposed would see a large red sticker on machines that charge, stating the fee, and a green sticker on those that don't, saying they are free.

As well as supporting our call for clearer labelling, the committee shares our concerns about fee-charging machines replacing free ones. It recommends banks think carefully before closing any of their free machines.

Laurence Baxter, Senior Policy Adviser at *Which?*, said: 'We're pleased the Treasury Select Committee recognises that easy access to cash, free of charge, must be protected. The massive growth in charging ATMs threatens people's right to get hold of their money for free.'

We'll be pushing for the changes to be made by the end of this year.

round-up

CARE HOMES

Bupa and nine other care-home providers will remove unfair terms from their contracts following Office of Fair Trading (OFT) action.

The unfair terms included frequent or arbitrary rises in fees.

The OFT is due to rule this month on competition in the £9 billion-a-year care homes market after a Which? supercomplaint.

UTILITY BILLS

Consumer watchdog Energywatch has filed its first supercomplaint to Ofgem about incorrect customer bills from gas and electricity suppliers. Have you had problems with wrong bills? Please send us your comments, quoting dept CS.

WATER PRICES

Watervoice has advised consumers to consider switching to a meter to soften the blow of April's hike in water bills. If you're struggling to pay, ask the water company about flexible payment methods.

WARRANTIES

New rules on the sale of extended warranties by electrical retailers came into force last month. The extended warranty's price must be displayed next to the price of electrical goods in stores and in adverts. Consumers will also have 45 days to cancel their extended warranty.

NTL service slammed by customers

In the past year NTL's 'chaotic' cancellation system has left 14 frustrated *Which?* readers, one even fending off the debt collectors.

NTL apologised to Jill Chapman, from Hitchin, when we highlighted her three-month long battle to cut ties with the cable company. But days later it threatened to blot her credit rating if she didn't pay a debt she didn't owe.

Jill sent a letter recorded delivery to cancel her TV, internet and phone contract in December but, after her 30 days' notice expired, her service continued.

**'There was no record
of my previous calls'**

Jill Chapman

In 12 days she made six calls to NTL; she was put on hold for nearly three hours and cut off three times. She was told to call the cancellations department which told her to write in because there was no record of her first letter – even though post office records show it was signed for. Finally Jill was

assured her package would be cancelled – but only the phone was cut off. Jill said: 'Each time I called there was no record of my previous calls. NTL's system is chaotic.'

When Jill stopped her direct debit, NTL started communicating. It picked up the set-top box and sent a bill for more than £70 she didn't owe. We thought our intervention in March had ended the story but NTL mistakenly sent a debt collectors' letter for £12 days later.

NTL said: 'We accept that the bills are wrong,' and is investigating further. It added that it now offers a dedicated cancellation number.

ACTION POINT

If a company wrongly threatens your credit rating, tell it you will hold it liable for any losses suffered as a result. Tell debt collectors the amount outstanding is in dispute and give them the details.

Wanadoo service problems

Customers have slated internet service provider Wanadoo's support as 'dismal' and 'unreliable'.

In the last year we've had 18 complaints about Britain's largest ISP.

Dag Smith from Worcester was happy with Wanadoo until he upgraded to broadband.

He found that the service was guaranteed only if his computer was plugged into his main phone socket and not an extension.

'Wanadoo said I should have read the terms and conditions on the internet but I ordered over the phone,' said Dag.

'I felt conned. How many people get broadband without being told the only guarantee of service is plugging it into the master socket?'

Freelance journalist Marged Richards told us she was fed up with Wanadoo's 'unreliable

and patronising customer service'.

She complained after realising emails weren't arriving. 'Email is my main form of communication with editors. After mentioning I'd spoken to *Which?*, Wanadoo agreed to end my contract.'

Writer Anna Bowles also had problems with Wanadoo when she moved. She regularly works from home and needed her connection restored quickly but says she got little help from Wanadoo's 'dismal' customer support line.

Wanadoo told us that Dag should have been

aware of the terms and conditions, saying that a higher-quality RJ11 extension socket should work for him.

In Anna's case, it said BT requires ten working days to cut the customer's line, plus ten working days to provide the new line. It said the process took just over half that time for Anna.

Wanadoo apologised for the problems and said: 'Notes on the accounts indicate the issues have been dealt with efficiently, but as we do not record our calls, we cannot confirm how or what customers were advised.'



Anna Bowles complained about Wanadoo



NTL said it will improve its system after Jill had problems cancelling

Issues for the new government

Our campaigns have been very successful over the years. As Britain goes to the polls Which? sets out the issues we want tackled.

Our Director of Campaigns Nick Stace says:

'We want the government to amend the Estate Agents Act to require all estate agents to be members of a redress scheme.

'We also want to see a Legal Service Board established to oversee the regulation of all legal professionals. It was recommended by the Clementi report and we will be lobbying to ensure that it becomes law.

'The government is not doing enough to ensure customers' interests are at the heart of the financial services industry. We'll be trying to get a ban on unsolicited credit card cheques and championing responsible lending. We also want the Consumer Credit Bill to be reintroduced as early as possible.

'We will continue to push for a better deal for patients. We want the government to make sure that we all have access to quality dental care, based on need. And we want patients put before profit, which means we need robust, transparent and accountable regulation of medicines.

'The government must also use the presidency of the European Union to find a replacement for the Common Agricultural Policy that's driven by people's needs and not by payments linked to farm size or previous subsidies.'



Nick Stace

Patients speak out on dental services

We've been inundated with stories since we asked you to add your voice to our campaign for better access to NHS dentistry in February.

Elizabeth Davies, from Wrexham, was with the same dental surgery for 40 years but it's turned into a private practice.

Elizabeth says no other NHS dentists are accepting patients in Wrexham: 'I feel blackmailed into going private – an expense we can't afford.'

Barry Warren, from Colindale, London, now 61, says he has paid National Insurance since starting work in 1958 and feels he's getting a raw deal, having paid over £6,000 for private dental work which he couldn't get on the NHS.

He faces a £16,000 implant treatment bill because he can't get the work done on the NHS.

Another respondent, who didn't want to be



People are still struggling for access to NHS dentists

named, told us how she couldn't work while being treated for breast cancer and looking after her two-year-old son. She's entitled to free NHS dental treatment.

injection cost me £112. This is utterly disgusting when we can't afford it.'

More than half of 2,000 UK adults we surveyed in January who tried to register

'I feel that I'm being blackmailed into going private'

Elizabeth Davies

However, she says: 'Local dentists will not accept any more NHS patients. I have had to pay more than £300 in three months for dental treatment. Last week two fillings and an

with an NHS dentist in the last two years had had difficulty.

Which? steps up its dental care campaign this month. Visit www.which.co.uk/dentists to have your say.



[fighting your corner]

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

Medion laptop from Toys R Us.

Sandra bought the £1,000 laptop in October 2003 but it was plagued with faults over the next 15 months, including battery and power supply problems.

Finally in March the computer gave up completely. Sandra took it to PC World for an independent diagnosis and was told the cause

was a faulty motherboard and too costly to repair.

But when Sandra contacted Toys R Us, she was told that as the PC's 12-month warranty had expired, it couldn't help.

'Not only did I feel I

had wasted £1,000 but I also have all my personal documents, photos and videos on a laptop which I cannot even turn on,' complained Sandra.

I pointed out to Toys R Us that, under the Sale of Goods Act, products must be durable and that Sandra could claim compensation for up to six years after purchase.

I also pointed out that faulty motherboards can

be caused by power supply problems, something Sandra had reported within her warranty period.

Toys R Us told me that it sold thousands of PCs a year and such problems were rare.

But it said it can only apologise to Sandra for the problems and is now 'in the process of refunding her.'



Someone with far too much time on their hands once calculated that banging your head against a wall uses 150 calories an hour. On that premise, Sandra Rapacioli should be wasting away after her experiences with a

EasyCar victory: bad deal for consumers

Hire-car company EasyCar has been told that it can carry on refusing refunds if customers cancel their contracts.

Under distance selling regulations, companies must offer refunds for contracts that are cancelled within a certain time. But EasyCar maintained that it should be exempt as the rules do not apply to 'transport services', and the European Court of Justice has now ruled in the hire company's favour.

The Office of Fair Trading (OFT) had tried to get EasyCar to reverse its policy after receiving complaints from angry motorists.

The government department argued that the hire car company, set up by EasyJet founder Stelios Haji-Ioannou, was covered by the European Directive on Distance Selling.

These regulations provide extra protection for consumers buying goods and services from a business by phone, internet or other 'distance' means. This includes a seven-day 'cooling-off' period in which consumers have the unconditional right to cancel.

EasyCar has welcomed the ruling, saying that it 'keeps prices low by offering a no-cancellation

policy and by offering consumers the best prices'. It will also ask the OFT to pay its costs.

We asked other hire-car companies about their cancellation policies in light of the European ruling and found that some companies are more flexible.

Both National and Alamo told us that customers could cancel or change their reservation up to 24 hours before the rental is due to start (within branch opening hours) without a charge or cancellation fee. If the booking is made via the website, the change or cancellation will take effect from the date the customer made the cancellation.

Avis's cancellation policy depends on the hire rate chosen by the driver. Its standard rate offers complete flexibility and people can cancel at any time. On its lower pre-paid rate, sold online only, motorists can cancel up to a day before and still get a full refund. Avis is also looking at introducing a non-cancellation product at a lower rate still.

Thrifty said that most of its customers buy car rental from a tour operator or travel agent. So it's not involved in the transaction until the customer arrives at the rental counter and it's typically not paid unless the customer actually rents the car.



EasyCar customers who cancel won't get a refund

Battle for fairer airline ads goes on

Our battle to stop airlines quoting 'misleading' prices on their websites is far from over, despite a recent legal setback.

In March Ryanair was fined £24,000 because it had not

made it clear in some of the headline prices on its website that fares excluded taxes and charges. But the no-frills airline was told it can still advertise prices excluding taxes, fees and charges (TFCs),

so long as they're made clear to consumers.

Trading standards officer for travel, Bruce Treloar, is disappointed by the decision and says the fight will continue to make airlines advertise the true cost of flights.

'Our options are to appeal the Ryanair court decision or appeal to the Office of Fair Trading for its help because this is a matter of national importance,' he said.

'If newspaper adverts are misleading you can report them to the Advertising Standards Authority but with websites you can't do anything. Most airlines are still misleading consumers.'

Air passenger body, the Air Transport Users

Council (AUC), has revealed that the TFCs quoted by airlines have increased considerably in recent years.

It says there's a danger

BMI quoted us £38 for a return fare from Heathrow to Dublin. With £29-worth of TFCs added, the total cost for the flight rose

'Most airlines are still misleading consumers'

Bruce Treloar

that TFCs 'will spiral out of control' as airlines try to beat rivals by keeping their headline fares as low as possible.

The AUC also found some discrepancies between the TFCs charged by airlines flying identical routes.

When we did our own checks, we found that the cost of extras can vary on the same plane.

to more than £67.

A seat on the same BMI flight, but booked through Lufthansa, would cost us £116 return, plus more than £50 in TFCs.

Lufthansa said it has a price-matching policy with BMI. But there can be 'discrepancies when BMI offers promotional fares'.

We're still pushing for airlines to publish clearer flight prices



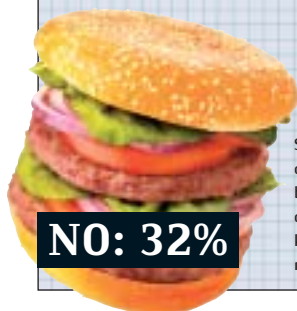
THE PUBLIC'S VIEW

Has recent media coverage of the TV programme 'Jamie's School Dinners' made you eat fewer processed convenience foods, such as ready-meals, chicken nuggets, pizzas, soups?

YES: 33%



NEVER EAT: 30%



NO: 32%

Survey of 1,050 adults carried out online for Which? by Explorandum between 11 and 13 April. 5 per cent of respondents said they didn't know. Findings don't necessarily represent our views.

Abbey loses customer's cash

You'd think a bank was a safe place for your cash, but Caroline Marshall found otherwise when Abbey mislaid £3,000 of hers for eight months.

Caroline opened an Abbey Postal Isa in June 2004 and transferred just over £3,000 from her Portman Building Society Isa. In July Portman told her the cheque had been sent to Abbey by recorded delivery and her account was closed.

But Abbey didn't know where the money was. 'I have spent months making phone calls to Abbey,' said Caroline. 'In mid-January I was told



the money had been sent back to the Portman because Abbey could not find my account details when it received it.'

Abbey apologised to Caroline for its 'poor service', gave her £50 and backdated interest on her account to last June. It added that demand for the Isa had been overwhelming and this had affected its ability to process applications.

ACTION POINT

If you have a financial problem, you must complain to the company first. If you're not happy with its response, contact the Financial Ombudsman Service on 0845 080 1800 or at www.financial-ombudsman.org.uk.

Kitchen rogue strikes again

The director of a national kitchen firm, once jailed for breaching an order to clean up his act, is up to his old tricks.

Vance Miller has advertised his cut-price kitchens under the names Discount Kitchens Direct and recently just Kitchens.

He's been jailed after supplying shoddy goods, and more recently his firm's 'real wood' kitchen promise was exposed as a lie by the advertising regulator.

Now his firm has left Mark and Catherine Abbott £1,750 out of pocket and without a proper kitchen for seven months.

A salesperson called round to their Nuneaton home and promised 'made-to-measure, good-quality units'. But the reality was dramatically different.

Civil servant Mark, 48, says: 'Alarm bells should have rung when we were asked for the £100 deposit and balance paid in cash or banker's draft.'

'It really dawned on us when the kitchen arrived. We'd ordered absolute rubbish. The doors were flimsy. Our old kitchen was better made and that was 17 years old.'

But that wasn't all. The couple, who took out a loan to buy the kitchen, were horrified to find parts either damaged or missing and no pre-drilled holes to put it all together. And the 'made-to-measure' wall units were the wrong size.



Mark with the kitchen units he bought from the company run by Vance Miller (top right)

The company sent out replacement units in August but again the units were damaged or missing. The original units weren't collected either, leaving the Abbotts with a home full of unwanted cabinets that together

'It dawned on us when the kitchen arrived.'

We'd ordered absolute rubbish'

Mark Abbott

didn't make one complete, undamaged kitchen.

Mark wrote to the company to reject the kitchen under the Sale of Goods Act but got no reply to date.

We've reported the Abbotts' case to the Office of Fair Trading (OFT) which issued Vance Miller with a 'Stop Now' order in 2002. He was jailed 14 months later for breaching it.

The OFT told us it's monitoring Mr Miller. We're hoping that it acts quickly.

And finally... Thugs bunny

We're not sure which half of the bunny was wild on this food label, or whether it simply displayed anti-social tendencies now and again.



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.