



**THE CONSUMERS' CHAMPION**

– We investigate and publicise anomalies in consumer affairs and aim to provide Islanders with accurate and timely information to help make #InformedDecisions

# Ring-fencing result for consumers



After being contacted by the Consumer Council, the Jersey Bankers' Association – along with help from Jersey Finance – are going to look into why so many of you are having difficulty when applying for credit cards or other forms of credit.

We know it is related to ring-fencing – when the banks stop offering services outside of their jurisdiction – but quite why it has hit Jersey so hard in recent months remains a mystery.

The complaints received have revealed that nearly all major banks and multiple other businesses appear to have put a blanket ban on Jersey credit card applications, with the exception of HSBC, regardless of an individual's credit rating. Following the ring-fencing that was implemented earlier this year, the situation has grown and even insurance companies have started rejecting Jersey addresses.

In terms of why these problems are occurring, it mainly hinges on Jersey being considered a separate jurisdiction. As Jersey is not part of the UK, aspects of the regulatory, legal and consumer regimes differ. Many of the regulations that apply to UK applicants will not apply to Jersey residents, meaning a company must put in place different regulatory systems to deal with Jersey customers. It is hence

at the company's discretion whether they support Jersey customers. It is also important to remember that credit card protections that apply to UK consumers do not necessarily apply to Jersey residents.

We have approached many of the major banks cited in the complaints we have received and we are still waiting for most of them to respond to our questions.

While the process of understanding and ultimately dealing with this situation may prove to be a long process, we are encouraged by the reaction from the JBA and Jersey Finance and hope some kind of agreement can be reached in the future. In the meantime, please continue to report any experiences with credit card applications – or other types of financially-related applications you make – that simply reject you for living in Jersey.

- We must point out that, while we did receive some complaints about HSBC, they do still offer credit cards to residents in Jersey, depending upon their individual circumstances. We are sorry that we incorrectly included the bank in a list of those providers who were excluding islanders in our last newsletter.

# Flybe hand baggage complaints continue

The complaints continue to flood in about Flybe and the enforcement of their hand baggage rules.

A key issue in most of the complaints was the inconsistency in which the policy is enforced. Some customers have supposedly

been able to use a case as hand baggage on one flight, only to be told it exceeds the limit on their return.

There is also criticism about how it is inconsistently applied to passengers, with some passengers' larger cases being **Continued...**



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allowed through whilst others of the same size receive a £50 hold charge.

We recognise that Flybe is within its rights to enforce this new policy and hand baggage size requirements, but feel the airline still needs to stick to the promises it made to us, which were to look at where it was making the final checks, that it was consistent in its approach at Jersey Airport and that it used the same measuring gauges across its entire network.

Indeed, we were told by one passenger boarding in Manchester that after their hand luggage passed the necessary tests at the

gate, the airline's representative warned them that their bag was only approved for Manchester Airport as they 'measured them differently in Jersey'.

Whilst we continue to resolve this with the airline, we recommend that before flying with Flybe, you should double check the width and height restrictions for hand baggage online and include the wheels in those measurements. Then check again!

We will keep you updated but, in the meantime, please do keep your calls and emails coming in so that your experience can be added to list .

# Make the most of shopping GST-Free online

This Christmas may be the last that you will be able to shop online and not pay GST on goods under the value of £240. The Government Plan 2020-2023 aims to reduce the amount we can all spend online before GST is charged. The 'de-minimis' threshold, is set to go down from £240 to £135 and, if agreed by the States, will come into effect from 1 July 2020. It is justified by the need to align with changes to the customs duties in the UK. There is also an intention to remove the level altogether in the future, meaning we will be paying GST on everything we buy online.

# Good news for uni students

In July we reached out to Island students on social media to contact us about whether those with a grant had struggled to bank their cheques at UK branches. This issue is believed to have been linked to ring-fencing, a wider issue in itself that we continue to investigate. We can confirm that the government is now trialling the payment of students' maintenance awards via BACS (direct payment) rather than by cheque. This should prevent any more difficulties in receiving student funding whilst off Island.



## Top 10 complaints



Complaints and queries are coming our way on a daily basis now and we want to reassure you that, while we do not have the staff or resources to investigate everything you report, every single call, email or letter that we receive is responded to and logged.

To give you a flavour of the range of complaints and queries we get through, below are our top ten complaints, other than those reported elsewhere in the newsletter, that we've received in the last few months.

- 1. Hermes delayed deliveries and difficulty in contacting Jersey staff**
- 2. Scam letters**
- 3. Difficulty with receiving Flybe reclaims or refunds**
- 4. Fuel prices**
- 5. The cost of funerals in Jersey**
- 6. The loss of large letter rates for goods with Jersey Post**
- 7. The price of Boots' paper bags**
- 8. Issues with renewing insurance with a Jersey address**
- 9. Misleading supermarket discounts**
- 10. VAT charges not being refunded**

If you have experienced any of the above or have another complaint/query, please email [jcc@jerseyconsumercouncil.org.je](mailto:jcc@jerseyconsumercouncil.org.je) or call 611161. The more reports we receive on certain topics, the more likely we are to launch an investigation into the issue.

# Are optional service charges...optional?

Everyone has been there. Sitting in a restaurant at the end of the meal staring at the bill with a pang of anxiety, desperately trying to work out just how much to tip. It's been a long-time debate about quite how much service is worth beyond the cost of the meal.

Whether it be a tip or the new wave of optional and compulsory service charges, it is important for consumers to understand their rights and hopefully feel a bit more relaxed when the dreaded bill is handed over.

Tipping, when not an optional or compulsory service charge, is entirely at the discretion of the customer. Visit Britain suggest that a tip should usually make up between 10 and 15% of the bill. It is a consumer's right to not tip if they feel the service falls below expectations. Each restaurant's policy about how tips are distributed amongst staff may also vary. You may therefore choose the size of your tip dependant on the amount going to your server directly.

A more recent phenomenon is the rise of the optional service charge added to bills. The percentage automatically added to the bill price will be governed by the establishment. According to Which?, companies must

make it clear to customers that they are expected to pay this surcharge before ordering, such as by displaying it in the menu. When advertised as an 'optional' service charge, payment is ultimately at customers' discretion and can be refused if dissatisfied with the service.

Some businesses may say that they include a compulsory service charge on top of their advertised prices. This could be a flat percentage of the total bill or dependant on other factors, such as size of the party or the method of payment. All prices displayed should be inclusive of GST. In the same vein as optional service charges, compulsory service charges may also ultimately be rejected if the service is particularly poor.

If a restaurant fails to make the compulsory service charge clear prior to eating, such as it not being advertised in the window or menu, a customer could argue that the extra charge does not form part of the agreed contract.

All that said, we have real issue with the fact that it now seems to be the norm for restaurants to automatically presume you want the 'optional' service charge added to the bill. How many of us would not have the confidence to ask for it to be removed and pay it?

## Islanders being warned to watch out for scam letters

With reports of even more scam letters being sent out to Jersey residents, the Consumer Council have some tips and tricks on how to spot a fraudster.

Fake lottery ticket letters are one of the most popular means of targeting the elderly and vulnerable for their bank details. These letters can superficially appear legitimate, even including pages of terms and conditions.

Important details to look out for include the sending address. In a scam letter shared with the Council, the sender's address turned out to be a housing estate in Enfield, an unlikely place for a legitimate company's 'international headquarters'.

The scam letter shared with us also incorrectly capitalised parts of the address and name of the recipient, again an unlikely error for a genuine business. Even if there appear to be no glaring errors, never share your bank details with an unknown company. At

the end of the day, if you never bought a ticket, chances are you haven't hit the jackpot.

The police's more general tips to avoid scams are:

- If it sounds too good to be true, it probably is - people may make big promises
- If you're contacted by someone you've never heard of, whether it's a company or individual
- If you're asked to give an immediate answer - scammers want you to part with your money immediately, so they'll say things that may make it difficult for you to say no
- If you're asked for your bank account details - this is a sure sign of a scam, as reliable companies would never ask for this information

If you have lost money to a scammer, do not hesitate to register your complaint with the States of Jersey Police on 01534 612612.

## Whirlpool tumble dryers



Whirlpool recalled nearly half a million tumble dryers in June following warnings about possible fire safety breaches. All unmodified machines were recalled, with customers who own affected machines being asked to contact the company directly for at home pick-ups.

However, action on the matter appeared to be slow moving, as customers complained that no pick-ups or refunds were being

put into action in the months following the announcement. With customers being urged to unplug and not use their tumble dryers in the meantime, the company has been criticised for failing to act with the urgency the situation requires. If you think you may have an affected tumble dryer, you can check whether it needs to be recalled by calling 0800 151 0905 or by visiting the Whirlpool website.

# Government of Jersey's Long-Term Care Scheme

One of our most popular lunchtime talks is about the Government's Long-Term Care Scheme. Here's some questions and answers you might find helpful

## LONG-TERM CARE SCHEME

### What is it?

A scheme created by the Government of Jersey to help islanders with the costs of long-term care. Financial support is available towards the cost of living in a care home, or a package of care in your own home.

### Who is it for?

It's designed for people who need a lot of help with daily activities and who will need that help for the rest of their lives. The scheme is open to help anybody aged 18 or above and who meets the residency criteria.

### What help is available?

A range of help is available according to your individual needs and how much you can afford to pay towards your care costs. The scheme shares the cost of care, so if you can afford to do it, you will need to contribute part of your care costs. It's designed so that families no longer need to sell their home to pay for the costs of care.

You may also request a loan against your home to help pay your share of care costs. This is to help people who have assets but no cash, however it is completely optional. Nobody will be forced to take out a loan against their property if they don't want to.

### How much do I need to pay?

The scheme works by limiting the amount you need to pay towards standard care costs during your lifetime. This is currently £56,130 (£84,195 for a couple) but does not include the cost of living in a care home (i.e. board and lodgings). If you can afford to, you'll need to pay this yourself in the same way you would pay your rent and bills if you lived in any other home.

### How do I access the scheme?

If you think you need long-term care, the first step is to contact Health and Community Services on +44 (0)1534 444440 or email SPOR@health.gov.je They will arrange for a team of health professionals to assess your

needs and advise you whether you are eligible to apply to join the scheme.

### How is my entitlement worked out?

If you need help with care costs, the scheme will do a financial assessment of you and your partner's assets, income, investments etc. to determine the level of help you are entitled to. It will also tell you how much you need to pay towards your costs and for how long.

### How much of my assets can I keep?

The scheme protects assets up to a certain value – this is currently £419,000, including the value of your home. If you have assets in excess of £419,000 you will be expected to self-fund the cost of your care until you have reached your cap or your assets fall below £419,000.

It's important to be aware that there are laws that affect people who choose to give away property or assets, or transfer ownership of a property, even if the transfer take place a long time before applying to join the long-term care scheme.

### What if I can afford to pay towards my care costs and don't want to share my financial information?

If you know that you can afford to pay towards your care costs up front (£56,130) you can still register even without giving financial information to the long-term care team. The team will tell you when you will qualify for benefit. If you change your mind in the future you can still ask for a financial assessment.

### Questions?

For general enquiries about the Long-Term Care scheme visit [www.gov.je/Benefits/LongTermCare](http://www.gov.je/Benefits/LongTermCare), call Customer & Local Services on +44 (0)1534 444444 or email [longtermcare@gov.je](mailto:longtermcare@gov.je).

## Lunchtime Talks: What do you want to hear?

We would like to know what you would like to see on the subject list for our Lunchtime Talks, at Jersey Library, as we head towards the end of the year.

Please email us at [jcc@jerseyconsumercouncil.org.je](mailto:jcc@jerseyconsumercouncil.org.je) with any suggestions or call of 611161.

For those who may have missed any of the presentations in the last few months, a synopsis is often provided in 'latest news' on our website and the speakers' slides are under 'Lunchtime Talks – Presentations'.

Recently, we have received talks on how to understand your electricity, powers of attorney, long-term care and digital security. These speakers hope to tackle consumer issues many of our Islanders face and provide some information and insight into important topics.

Talks are held at the Library between 1:05pm and 1:50pm, with seats being available on a first come first served basis.

Meanwhile for details of forthcoming talks, which are held every other Thursday at the Library, please check the schedule of 'Lunchtime Talks' on our website, which is regularly updated. Or you can enquire at the Library or call our office on 611161.

### October 03

The Regulator in your Community by your Jersey Financial Services Commission

### October 17

The Citizens Advice Bureau and their most common queries

### October 31

Capacity Law; Lasting Powers of Attorney and Advance Decision to Refuse Treatment (Q&A session) by Health and Social Services

### November 14

Trading Standards on Christmas Shopping and Your Consumer Rights