



Northern Ireland
Assembly

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Caravans Bill

24 June 2010

NORTHERN IRELAND ASSEMBLY

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

Caravans Bill

24 June 2010

Members present for all or part of the proceedings:

Mr Simon Hamilton (Chairperson)
Mr Billy Armstrong
Mrs Mary Bradley
Mr Mickey Brady
Mr Jonathan Craig
Ms Anna Lo
Mr Fra McCann

Witnesses:

Mr Stephen Martin) Department for Social Development

Mr John Hinds) Department of Enterprise, Trade and Investment
Mr David Livingstone)

The Chairperson (Mr Hamilton):

Joining us this morning are David Livingstone, chief inspector of trading standards at the Department of Enterprise, Trade and Investment (DETI), John Hinds, head of the consumer affairs branch of DETI, and Stephen Martin, from the housing division in the Department for Social Development (DSD). The Clerk has provided a cover note outlining the key points of the submission from DETI. Members may also wish to update their Bill folders with a copy of that.

David, John and Stephen, I welcome you all. As is customary with legislation, the session is being recorded by Hansard. As we have a copy of your submission, I invite you to give a brief

introduction on the issues that relate to DETI.

Mr John Hinds (Department of Enterprise, Trade and Investment):

Thank you for the opportunity to address the Committee on the Caravans Bill, particularly those provisions affecting holiday caravan sites. At last week's meeting, my colleagues from the Department for Social Development provided much of the background to Mr McCallister's Bill. Therefore, members will be aware that the provisions for the residential sector will bring Northern Ireland into line with legislation for the sector in the rest of the UK. The provisions proposed for the holiday sector, referred to in the Bill as "seasonal sites", are not replicated elsewhere in the United Kingdom. Legislation for that sector has been considered for England and Wales in the past, but, so far, no legislation has been brought forward.

The original draft of Mr McCallister's Bill was significantly different to that which is now before the Committee, and it generated a lot of concern in the holiday caravan industry. The Committee may be aware that Mr McCallister met the Minister of Enterprise, Trade and Investment in November 2009 to discuss the original Bill. The Minister expressed her view that the Bill, as originally drafted, would impose an unnecessary burden on the industry. As the Minister responsible for the development of the Northern Ireland economy, she is keen to see that the Northern Ireland tourism industry develops as much as possible. The Minister recognises the valuable contribution made by the many — mostly family-run — businesses operating in the holiday caravan park sector in Northern Ireland. She advised Mr McCallister that she would support a simple provision that required the terms and conditions of any agreement to occupy a static holiday caravan pitch to be in writing.

When the Executive agreed to lend their support to the redrafting of the Bill, DETI agreed to assist in the drafting of proposals for the holiday sector. As the redrafting process has gone forward, there has been a high level of co-operation and co-ordination with Mr McCallister, with DSD and with the Department of the Environment (DOE). Through our Trading Standards Service, there has been regular contact and meetings with those involved in the caravan industry and with the people whom this part of the Bill aims to protect.

In drafting the current proposal, the Department's aim was to strike a balance between provisions that, when backed up by existing consumer protection legislation, go some way towards addressing the concerns highlighted by Mr McCallister, but, at the same time, do not

impose any unnecessary burdens on the industry. The Department considers that the much-revised provisions for the holiday sector reconcile those two objectives.

The Bill requires park owners to provide a written statement setting out the express terms of the agreement before the contract to occupy a pitch is concluded. That represents existing best practice in the industry and will address the significant gap in consumer protection for holiday caravan owners in Northern Ireland.

It is the Department's experience that the people who complain to the trading standards service about the operation of their agreement with caravan site owners have not been given a copy of that agreement. Typically, it is only some years after a caravan has been purchased that the terms of the agreement that lead to the dispute with the site owner come to light. The Bill, as now drafted, imposes a simple requirement that caravan site owners should provide a copy of the express terms of the agreement to station a caravan on the site. The Department considers that, if caravan owners are given a document by site owners outlining the express terms of their agreement to station a caravan on the site, this will reduce the number of complaints that it receives about a small number of site owners. By implication, it will, at the same time, reduce disputes between site owners and their customers.

More significantly, in terms of consumer protection, it will allow the Trading Standards Service to consider whether any of the terms in the agreement are in breach of the Unfair Terms in Consumer Contracts Regulations 1999. Those regulations apply to standard terms in consumer contracts but not to terms that have been negotiated individually. In the absence of a written agreement between the parties, it is difficult to establish whether a term in an agreement is a standard term or is one that has been negotiated individually.

The Department is committed, through its Trading Standards Service, to working proactively with the sector to ensure that the new measure, if implemented, is publicised and adhered to across Northern Ireland's holiday caravan sites. Should it find terms that it considers to be in breach of the regulations, it will seek to have those amended by agreement and will take matters to court only as a position of last resort. A considerable body of published guidance is already available to the holiday caravan industry on what would constitute an unfair contract term in holiday caravan agreements. That includes comprehensive guidance from the Office of Fair Trading on the subject and the advice and model contracts that are issued by the industry's trade

bodies. We are also keen to engage with individual site owners on a face-to-face basis in helping them to comply with the new provisions.

The Department's view is that the Bill's provisions are both proportionate and necessary. The Bill should not impose any significant burdens on park owners and will enjoy the support of all legitimate stakeholders who are associated with the holiday caravan sector. Indeed, our contacts with the industry suggest that there is broad support for the measure. Many in the industry recognise that it has the potential to increase consumer confidence in this area.

The requirement to provide a written agreement is backed up by a provision that will render any term of an agreement that is not notified in writing legally unenforceable. The Department considers that that will act as an incentive for park owners to provide copies of agreements to customers. It is also the Department's view that, if implemented, the measure will positively complement existing fair trading laws and allow their more effective application to complaints concerning holiday caravan contracts.

The Chairperson:

Thank you. So that we can get a handle on the scale of the problem, can you tell us how many complaints you receive annually about caravans? What is the general nature of those complaints?

Mr David Livingstone (Department of Enterprise, Trade and Investment):

We commonly receive between 50 and 80 complaints a year. It can vary if there is a lot of activity or awareness in the sector. For example, heightened awareness has been caused as a result of the Bill, and that will lead to more interest. Complaints are made about a number of issues that can arise in the lifetime of an agreement between a caravan owner and a caravan park owner. They are largely around the issue of uncertainty, and they largely arise through what could commonly be called a nasty surprise coming some way down the line that the caravan owner had not anticipated.

The Chairperson:

Are the complaints similar in nature? Do you find that the root of the problem is that no agreement is in place and none has been offered?

Mr Livingstone:

Complaints do fall into distinct, clear categories. We could brigade them into three or four headings, and they all arise as a result of caravan owners not anticipating something that has happened. A common example is the requirement to upgrade the caravan after 10 years, 15 years or another specified period. That is probably the number one cause of concern. Up along with that are the difficulties that occur when caravan owners come to sell their caravans. There are issues around who they can sell them to and what price they get for them. In virtually all of the complaints, the common theme is lack of awareness of the situation until the dispute or the event arises.

The Chairperson:

I am not asking you to reveal anything, but in your work you must come across certain parks where there are perennial problems and others where you realise, after investigation, that the park owners are quite responsible. You must see both good and bad instances in the industry.

Mr Livingstone:

We do. The caravan industry is not what we in the Trading Standards Service would call a problem sector. It is a pretty compliant sector with good businesspeople who are trying to earn a living. The complaints that we get are not from people who have been on the receiving end of scams or fraud; they are from people who really enjoy their holiday experience. It is just that, due to the uncertainties, the relationship between site owners and caravan owners constantly leads to problems. Oral and verbal contracts have, for generations, opened a door to confusion, uncertainty, disputes and disaffected caravan owners when they are really not necessary. Some clarity and transparency would, I suspect, deal with 95%, maybe even 98%, of the complaints that come to the Trading Standards Service.

Ms Lo:

Once the Bill becomes law, will every caravan owner immediately get a contract, or will only new customers get one?

Mr Livingstone:

Once the Bill becomes law, every holiday caravan owner in Northern Ireland who has a pitch in a caravan park should eventually get a written contract, or at least a set of terms and conditions in writing that governs the relationship between them and the park owner. People who are new to

the holiday caravan sector will get those terms and conditions before they sign the contract. It is a fundamental requirement of fairness with any contract that you have the chance to read and properly understand the terms before you sign up to them; you need to know what you are agreeing to.

Shortly after the Bill becomes law, existing holiday caravan owners too will have to have a written list of the terms and conditions that forms the contract between them and the caravan park owner. The short answer is that every holiday caravan owner should have a written agreement.

Ms Lo:

I presume that some existing caravan owners have written contracts; not all of them just have verbal contracts. If there is a big variation between the existing contract and the proposed new one, will there be any room for negotiation between the site owner and the caravan owner?

Mr Livingstone:

That will be inevitable. There should be no problem with the new customers that you referred to, because they will have had the chance to have a good read of what they are signing up to and understand it.

I do not think that there will be a difficulty. There will be a big variation, simply because caravan owners will, in most cases, be coming from a situation where they have nothing by way of a contract, or very little, to one where they have a great deal. I suspect further that, even where those terms and conditions are good, fair, open, transparent and sensible, they may well cause a little bit of disquiet, simply because people have not seen them before or have not anticipated them.

You are quite right. It is almost certain that there will be a need to communicate well and to explain that the terms and conditions, and the openness and transparency that they provide, are a good thing and are in the interests of both the caravan owners and the caravan site owners. It brings transparency, clarity, certainty and, above all, fairness to the relationship between them.

Ms Lo:

Who will arbitrate in the case of disagreement?

Mr Livingstone:

We hope that the park owners and the caravan owners will be able to raise their concerns and have them resolved, but that expectation is probably a little bit ambitious. The Trading Standards Service has expressed a willingness to act. We are known as an enforcement body, but, as Mr Hinds said, enforcement does not mean prosecuting people or taking people to court. For us, enforcement means having all the tools at our disposal to turn a situation of non-compliance into a situation of legal compliance and good market practice. That involves education, advice, encouragement, direction, guidance and help. Therefore, we are happy to intervene if disputes arise, and we will encourage park owners and caravan owners to come to us where we can help to overcome initial concerns when written agreements start to appear and perhaps cause some disquiet among the caravan owners.

Ms Lo:

You mentioned enforcement. If there is an illegal eviction, who will arbitrate or enforce the law?

Mr Stephen Martin (Department for Social Development):

Are you talking about the particular powers around eviction in Part 3 of the Bill, which relate to the residential sector, or are you talking about the holiday sector?

Ms Lo:

I am talking about the site. If a caravan owner claims that they have been evicted illegally or been told to go, contrary to the agreement, what will happen? Will the case go to court?

Mr Livingstone:

It depends. I can envisage the situation that you are referring to, and we have had complaints where people have been evicted.

Ms Lo:

What if they disagree on a new proposal and the person says that they are not happy but that they are staying put, and then they get evicted?

Mr Livingstone:

It will depend on the circumstances and on what caused the eviction, or what caused the site owner to ask the caravan owner to leave the site. We have had complaints where disputes have

arisen between caravan owners and site owners, and perhaps these are the site owners that you referred to earlier, Chairman. A small minority of site owners appear to be behaving in a way that is causing considerable detriment to consumers. I stress again though that it is largely a compliant, well-run, professional and deeply committed sector of businesspeople who are trying to earn an honest living, and they do so very well.

Our complaints are like the 80:20 rule, or maybe even more so, because 90% of our complaints probably come from 10% of the sites. We have had instances where people have been in dispute with park owners and found their caravans sitting on the side of the road the following morning with a notice telling them not to come back because they are troublemakers. We have heard some pretty disturbing tales of those unlawful evictions.

There are two consequences of that. First, the caravan park owners who act in that precipitous and unlawful way will be in breach of the holiday caravan agreement that will be in place once the Bill becomes law. The second, and probably more serious, consequence is that if they have acted unfairly — whatever they have done — and if it amounts to what it is called an aggressive trading practice, that can create criminal liability, and my organisation will investigate. In the worst cases, we will not hesitate to take swift and robust enforcement action, including prosecution, against them. If that happened and if it were a really bad example, we would seek publicity for that to deter them from doing it again and to sound a warning to others that that level and type of behaviour is unacceptable and will not be tolerated.

Ms Lo:

Is that the responsibility of DETI?

Mr Livingstone:

The enforcement of unfair trading practices lies with the Trading Standards Service.

The Chairperson:

I know that there specific protections for people in park homes, but does the Bill contain any specific protections from eviction for those on seasonal sites?

Mr Martin:

Other than the consumer protections that Mr Livingstone has outlined, no.

Mr F McCann:

It was only when Anna got to the end that it came out that DETI will have the power to follow through. It did not give me any real confidence that that will be pursued, especially in light of what you said. Obviously, in most things in life, you try mediation. However, if it does not work and there is bad practice, that needs to be pursued and dealt with — obviously, through the law. Penalties need to be in place to ensure that it does not happen again.

I agree that, by and large, most of the people who own caravan sites are genuine businesspeople. However, 10% of anything is too high. I think that all of us could speak of experiences of illegal evictions taking place. You said that the sector is fairly compliant: the reason that there are not a big lot of complaints is that most people are scared to make complaints, because they are threatened with eviction afterwards. Whether it is about the sale or resale of caravans, whether there is a problem on the site or whether there is a lack of facilities on the site, people will not complain because they are threatened with eviction or told to get off the site. They could wake up the next morning and their caravan could be sitting at the side of the road. It is not easy to go to another site because there is a general rule of thumb among all the caravan site owners: if they think that there is a troublemaker on one site, they will not let them onto others. Very strict regulations are needed to ensure that people are protected.

At the start of this, John McCallister had great ideas of how to protect the whole sector and the people who use it. However, the holiday side of the Bill, for the people who have holiday caravans, has lost its edge somewhere along the line. We need to look at how we get that back on course, because thousands of people use caravans regularly.

The relationship between the site owners and those who use the sites is not an even one. The owner of the site has the full say about what goes on on their site. Again, people are threatened; they are told to take their caravan off the site if they disagree with the site owners. Perhaps it is just me, but if someone lives permanently on a site, then that is their home. You would think that they would be afforded the same protection as the people who live in other housing sectors, whether it is the private sector or the social sector.

I have a couple of other points, but I do not want to hog the meeting. There is nothing in the legislation that says that there will be full protection for people in holiday sites. All of the bad

practices that exist will still exist, and there does not seem to be any direction there that says to me that any enforcement will guarantee a change of mindset among some of the site owners.

Mr Livingstone:

I will take those questions in turn. I cannot disagree with anything that you said. I hear, first hand, some really disturbing stories about the behaviour and actions of some park owners. It is disturbing that, in 2010, a small minority of park owners are acting in a quite Dickensian way towards the people on their sites who are providing them with a living. That is of great concern.

As to whether the holiday caravan provisions are not as robust and do not offer the same protection — the same edge, as you called it — as those that are in place for the residential sector, I probably disagree. The Trading Standards Service has agreed and is committed to being involved in making sure that things are implemented effectively. The fact is that there are criminal sanctions as a backdrop to this. I have said that it is a backstop measure; however, we will not hesitate to use it. We have prosecuted a caravan park owner this year for failing to display prices when they were told, and told again, that they had to.

Mr F McCann:

What is the level of conviction for these cases?

Mr Livingstone:

We have not had very many, for the simple reason that you alluded to earlier. We get complaints, so we do have a handle on where complaints are coming from, whether they are widespread, who is causing the complaints and who is not. However, as you quite rightly said, the problem is that when we ask those people to come forward to make a statement and give evidence against park owners, they will not do it. They are too scared of retribution, such as finding their van outside on the road with a bill of £800 or £900 for the privilege.

This Bill will, for the first time in years — perhaps generations — flush out the contract and the terms that govern it. You are quite right again to say that, as it stands, the contracts are, in many cases, totally one-sided. Even if they were not, caravan owners would not know, because they do not know what the terms are. They have no idea, until their caravan is 10 years old, they want to sell it or they want to pass it on to their nephew or their niece or their uncle or something else. So I disagree. You will find that, where necessary, we will be very robust. However, I will

be disappointed if we have to be, because we want to work with businesses in moving from a non-compliant situation to a compliant situation.

I agree that some pretty poor practice goes on. I do not know why that is. I do not necessarily think that these are very bad people or criminals; in fact, I think otherwise. It may be due to ignorance and the fact that, for generations, they, and their fathers and grandfathers before them, have been doing it that way. They probably think that it is perfectly acceptable because nobody has taken them to task before. That will be a big issue, because they are going to see a real step change in the way in which they have to conduct their relationships with caravan owners on their sites. It will require a lot of work and will not happen quickly. It is certainly not going to happen overnight. However, we are committed to helping that move along smoothly. The expectation is that, once we make site owners aware of the sanctions that can apply and the things that will happen if they do not come into line — and I give you my assurance that those things will happen — site owners, as sensible businesspeople, will see sense and comply with the law.

Mr F McCann:

I do not disagree with some of the stuff that you have said. However, when it comes to using the law to ensure compliance, unless that law has teeth to make people listen and unless people are prosecuted, all this goes for nothing.

Mr Livingstone:

I can only give you my assurance that the laws that you feel should be in place are in place now. I can also only give you my assurance that we will implement the laws effectively, robustly, necessarily and proportionately. We have already committed to making the Bill, when it becomes law, a success. We have set aside time to work with the park owners, and we have also set aside time to educate caravan owners and raise their awareness about what they are now entitled to. If they do not know what they are entitled to, they will not know when they do not get it.

We will encourage them to come forward and to alert us when they feel that contract terms are unfair. Legislation is in place that can prevent them from using unfair terms, and, if they refuse to stop using unfair terms, we can take them to court and prosecute them. I sincerely hope that it does not come to that, and I give you my absolute assurance that a robust set of protections is in place and that those will be used effectively to make the Bill a success and support it when it becomes law.

Mrs M Bradley:

Will you do that by speaking to caravan owners alone, or will you do that together with the site owners? Do you advise that site owners should already be discussing it with the people who are using their sites, to advise them that this could be coming up?

Mr Livingstone:

Yes, absolutely.

Mrs M Bradley:

That is crucial to allowing people to understand.

Mr Livingstone:

If this is coming down the line — and in all probability it is — it would be foolish of any site owner in Northern Ireland to wait until Royal Assent is granted before they start to get their house in order. We will work with them from now. The Trading Standards Service is working with park owners already. Subsequently, in partnership with colleagues in DSD, DOE and the sector, we will raise awareness, host events and produce guidance and direction so that caravan owners know that the paradigm is shifting for them. In future, they will be entitled to transparent, open and fair dealings.

Mrs M Bradley:

John McCallister has done a great job in introducing the Bill, and, if we get it right, you will see a big increase in this type of holidaying. It is important that people are well advised in advance, not when they are on the site with their caravan. It must be got out there to the public in some way that they must know the information before they go on to the site. I welcome the Bill.

Mr Craig:

You are a very brave person; you have given loads of reassurances about how you will implement this. Frankly, I think that it is a toothless tiger when it comes to the holiday sites. One of the big problems is how you are going to monitor the implementation of all of this. References have been made to a fear factor among caravan owners, and that fear factor will not go away. Most people, especially those who go to static caravans, invest a huge proportion of their income in what they believe is their property, although, in reality, it does not seem to be theirs. They invest

a huge amount of money in their caravans, so they will not raise the hackles of any site owner, and they will not report abuses of the system to you. How will you monitor how this is being implemented?

Mr Livingstone:

Again, I accept the point entirely. There is a great deal of reluctance to come forward and give us evidence where we can go in and intervene. If that had been the case, we would have done so. We are going to do it in two ways. First, we will look at the number of complaints that we are getting. From that, we will be able to tell whether the situation is getting worse or getting better.

Even though people are fearful of coming forward to give evidence and stand in court against the park owner, they are not fearful of phoning us in the first instance to tell us what is happening to them. That is an important point. Problems arise when we ask them whether they will give a statement. We do get a good handle on the extent and location of the problems.

We will also proactively engage with every site in Northern Ireland. The event of having to produce a written statement of terms and conditions that we can look at gives us, if you like, a foot in the door to engage with the park owners. We have never had that before. If people would not make statements we had no right to go there. You are quite right; these people deserve protection. Caravans are big-ticket items; they can cost £30,000, £40,000, £50,000 or £60,000. To have a contract in relation to goods that cost £50,000 or £60,000 and not have a scrap of paper to say what you are entitled to is beyond bizarre.

Our intention, provoked by the point that you raised — which is not lost on us — is that we have to be proactive and work with the site and park owners individually or, where we can, collectively, to bring about a change from non-compliant to compliant trading. I said earlier that this is the bigger cultural issue that we are talking about. The Bill will change the way of trading that has been going on for donkey's years into something a lot more professional and certain.

That is not going to come easy to some park owners. We are prepared for the work that will be involved, and we are willing to engage in it. That fear factor will diminish once people in caravans see us working in that way and see change happening. They probably will not believe the rhetoric in what we say and communicate, but they will start to believe it when they see things

changing on the ground. I acknowledge that that is going to take time, but we are committed to spending time on it.

Caravans are an important sector in our economy and an important group of businesspeople that we want to engage with and help comply with the law. We are not frightened by the challenge, but it is a significant one. It involves culture change, which as you know, does not happen quickly. However, we are committed. Once we get the process of engagement up and running, build on that relationship with the park owners and give the caravan owners the assurances that they have somewhere to complain to, the situation will change significantly over time. It may be a little slow to start, but that is the nature of change. I do not think that it will be an overnight solution, but we can only commit to doing what we can to change it, and we have already done that.

Mr Craig:

You are really saying that we should wait and see whether the Department is being proactive. Are there any terms to say that, after 12 or 24 months, the actual implementation of this will be reviewed? We may end up with a scenario where we give you and the Department the power to intervene, as opposed to people actually physically writing out and signing a complaint.

The Chairperson:

You said that it is a cultural change, and that significant change will be required in the industry; that it will take time and be slow to start. This has to be implemented within six months of the Bill becoming law. That strikes me as a pretty short period in which to get the cultural change required. Do you think that that is enough time for you to work with? It is good, useful and absolutely necessary that you work with the industry, but if we are talking about people who have not played ball for generations, six months is nothing. If you have six months to get everybody shipshape, and then Jonathan's point is built on top of that, at what stage thereafter do we review compliance and start to take that robust action?

Mr Livingstone:

If Royal Assent were to be granted tomorrow or next week, six months would be a pretty tight timeline. We are a long way from Royal Assent. It would be foolish in the extreme for me to wait for Royal Assent to start getting active, engaging, cajoling, encouraging, directing, educating and all those things that I referred to. It would also be foolish in the extreme and somewhat

irresponsible of the sector not to start tooling itself up right now, because it is totally aware of what is coming. This is not rocket science. They already know the terms and conditions because they are using, implementing and enforcing them; all that we are asking them to do is write them down and give them to the people on their sites. That is neither difficult nor burdensome.

Furthermore, we are not talking about doing this to 100 sites. A considerable number are already members of the trade bodies: the National Caravan Council and the British Holiday and Home Parks Association. Both organisations have given me their unreserved commitment to work with their members and us on this. Hopefully, that will deal with a lot of the sector. Outside that, not all of the non-members of the trade bodies are causing trouble. They will probably be ready, willing, able and glad to have a bit of a push to get written contracts out. It is probably something that they have always intended to do but never got round to.

The challenge really boils down to a small group that may prove more resistant. We will target our resources where we feel that they are most needed and most likely to make a change, and we will do so almost immediately, from this point on. We have already committed and agreed with Stephen Martin and his colleagues in DSD to look at how to raise awareness and understanding ahead of Royal Assent. The bottom line is that everyone needs to start working and preparing right now.

The Chairperson:

Thanks. That is useful.

Mr Armstrong:

Until today, I did not realise that so many people had problems over caravans. It seems to me that you are going to get the thing sorted out. However, there is one thing that needs to be done: a handbook has to be there as soon as possible so caravan owners know where to go and know their rights. That is the most important move. I am sure that there is some sort of handbook out there, but it has to be sorted out by the time the Bill is passed so that people really know where they have to go and what their rights are and what the site owners' rights are as well. Everybody has rights here, and they all have to work together. It is important that everybody understands.

We all know that the law needs teeth, but a lot of us believe that it does not have very many teeth or powers. However, in time and with the new Justice Ministry, there may be more powers

and teeth may be given to the Government of Northern Ireland.

Mr Livingstone:

I agree with that. I have said that this is a culture change. It will be a big shift from where people are to where they need to be, and they will need help to get there. We cannot do that through enforcement. A big stick is not an appropriate, proportionate or sensible tool to bring on board a whole sector; it must be reserved only for cases of wilful and repeated non-compliance to the detriment of consumers.

As you suggest, there is a comprehensive range of good guidance for caravan park owners already in place. I have one here called 'Guidance on Unfair Terms in Holiday Caravan Agreements' and is published by the Office of Fair Trading. It is 74 pages long and gives them everything that they need to know about the terms that are acceptable in a holiday caravan agreement and those that are not. We do not simply hand them this and tell them to get on with it; we hope that we will be able to engage with people face-to-face and explain to them which terms are relevant. What we really want is for people to tell us how they want a contract to look, and then we can advise on what is a fair term and, more particularly, what is an unfair term.

A significant amount of work needs to be done to disabuse the sector, or a small part of it, of the legitimacy of things like this 10-year rule. I am not sure where that emerged from. There is no such thing as a 10-year rule. It is unlawful and unfair to put a term in a holiday caravan contract that requires the holiday caravan owner to upgrade their caravan after 10 years. It is unfair, it cannot bind the consumer and it will be unenforceable in law. Nonetheless, I accept that there is a perception that it is legitimate and that people impose it. Caravan owners seem to feel that they must comply with it. We need to disabuse both parties of some of those misconceptions that, over time, seem to have become intergenerational wisdom. They are flawed and need to be straightened out.

Ms Lo:

When they say upgraded after 10 years, do they mean buying a brand new one or just doing things to upgrade?

Mr Livingstone:

Generally it means upgrading it to one that does not offend the 10-year rule. I suppose that

someone could buy a nine-year-old caravan and upgrade it a little, but most park owners would like caravan owners to buy a new one. The park owner has an absolutely legitimate right to maintain the presentation, the amenity and the look of the site. That is in everyone's interest and no one disagrees with that or disputes that. However, a contract cannot include arbitrary terms that say that a caravan owner must upgrade after 10 years. It is unlawful and it cannot stand in a contract.

Mr F McCann:

There is if your caravan is towed to the gate. *[Laughter.]*

Mr Craig:

Or outside it.

Mr Livingstone:

I acknowledge that that has happened. I am saying that we now have the tools to deal with those practices in which people behave in an aggressive, inappropriate and unlawful way. We will take action if we can get evidence that that has happened.

The Chairperson:

Thank you: that was a very useful session all round, in different respects. There is some reassurance for us all that the industry is not a problem sector. Like everything, there are a few bad apples in the barrel who spoil it for everyone else. It is reassuring to know that we are dealing with a small group who are behaving badly. It is also reassuring that you will enforce robustly the provisions of the Bill and use the tools that are at your disposal. Thank you very much for your time.