

From: Sarah Ludford MEP (Lon)
Sent: 13 November 2009 17:42
To: Mrs Mary Cummings
Subject: RE: Letter from your constituent Mrs Mary Cummings

Dear Mrs Cummings,

Thank you for your email.

In the European Parliament we are fully aware of the European City Guide scam (and similarly misleading directory scams such as this one) and the harm they cause. It is estimated that scams such as these have been ongoing for over forty years, claiming hundreds of thousands of Europeans as victims.

As you now know, the typical procedure for this type of scam is for a business to be sent a form which offers to update their details in a business directory, seemingly free of charge. On responding, these businesses will then start receiving invoices from the directory company, which will claim that the business has signed up to a costly three year contract that was hidden in the small print of the form. One of the most commonly cited directory companies is the European City Guide, which alone sends out an astonishing 6.5 million forms per year.

It is worth noting that ECG have never succeeded in recouping money from any business through the UK courts. Refusing to give in to their intimidation is the only way to deal with such outfits. In 2003 a Spanish court described European City Guide's mail shot as 'deceitful' and upheld a previous finding that ECG had seriously infringed Spanish laws on misleading advertising. The original case was brought jointly by the Office of Fair Trading and the authorities in Catalonia.

Although it may not provide direct assistance to your particular case, I would like to let you know what we in the European Parliament are doing to try to bring an end to this misleading directory company scam. On 6 November 2008, the Parliament's Committee on Petitions adopted a report on the problem of misleading directory companies. This was in response to over 400 petitions to the European Parliament from 24 Member States.

My Liberal Democrat colleague, Diana Wallis MEP, was a member of the Internal Market and Consumer Protection Committee of the Parliament, and was asked to produce the draft opinion on behalf of that Committee. Her opinion was adopted by the Committee on 7 October with the overwhelming support of fellow MEPs. The opinion called for greatly improved cooperation between Member States and the Commission in order to put an end to this type of scam and identified a number of real opportunities for doing so, including:

* Extending the scope of the Unfair Commercial Practices Directive (which provides protection for consumers in business-to-consumer relationships) so that it also covers business-to business contracts with

specific regard to misleading directory companies;

- * Making it clear that existing legislation on misleading advertising also applies to misleading directory companies by including them in a 'blacklist' of misleading practices which would be annexed to the directive;

- * Providing much greater support for awareness raising initiatives, as well as encouraging the establishment of advice networks to which European small businesses could turn when they are caught up in scams such as these.

These recommendations were included in the report which was adopted at the plenary session in Strasbourg in January. MEPs had raised this issue with Member States and the Commission several times in the past and had become tired at their lack of willingness to accept responsibility. The adoption of this report by the European Parliament sends a strong signal to the Commission and Member States that they must now act to end this practice.

Finally, you may wish to contact Scambusters at The Office of Fair Trading (08457 224499) or by emailing scams@oft.gsi.gov.uk . The OFT will not be able to assist you as an individual but they have enforcement powers to act on behalf of a group of consumers. If you have lost money as a result of a scam, this should be reported to your local police or to the Metropolitan Fraud Squad, Wellington House, 67-73 Buckingham Gate, London, SW1E 6BE.

Yours sincerely,

Sarah Ludford

Baroness Sarah Ludford
Liberal Democrat MEP for London