



## About The Chartered Trading Standards Institute

The Chartered Trading Standards Institute (CTSI) is a professional membership association founded in 1881. It represents trading standards officers and associated personnel working in the UK and also overseas in the business and consumer sectors as well as in local and central government.

## Review of Retained Provisions of the Consumer Credit Act 1974

The Chartered Trading Standards Institute welcomes the opportunity to respond to this consultation. However, we do not feel we can comment on Option 2 as it refers to issues between workers and the businesses they work for, in matters of employment law and practice.

be voluntary payments made to table staff for good service. Cover charges and service charges should be understood as part of the contractual price of the meal, payable to the trader without any expectation that any of it will be given to staff, yet it is debatable as to whether consumers are aware that service charges do not generally get passed to waiting staff. It is very likely that in establishments levying any sort of service charge, customers will leave less in tips as they believe the service charge being levied against them contains some form of gratuity which will be passed by the establishment to the service staff.

Further confusion was introduced by

intended, not to alter the principle that the money went entirely to the trader (i.e. with no share going to staff), but to avoid payment of VAT on such charges by

ones. The trick was therefore to label the charge as voluntary, but to attempt to extract as near to 100% payment of the supposedly voluntary charge from customers as possible. Trading standards services