

EXTENDED WARRANTIES MONOPOLY INQUIRY

Deadline extended to 30th September

The Trade and Industry Secretary, Patricia Hewitt, has today agreed a request from the Competition Commission for a three month extension to the deadline for reporting on the Extended Warranties Inquiry. The new deadline is 30th September.

Commenting on the decision the Commission Chairman, Sir Derek Morris, said:- “Extended warranties have been causing concern for a number of years. They are offered on a wide range of goods, from mobile phones and computers to televisions and camcorders, fridges and washing machines; and they offer a variety of services extending well beyond a simple repair service, often including cover for theft and accidental damage, as well as helplines. It is important that we tailor our recommendations to the complexities of this market, and that we get it right. Accordingly, from 20th May we have been consulting the parties on a range of possible remedies. Remedies that could affect most retailers of domestic electrical goods, as well as other suppliers of warranties. We have received many representations and are now holding hearings with some of the parties. We want to consult widely on our proposals. I believe it will help all parties if we give ourselves a bit more time.”

Notes to Editors

1. The reference was made by the Director General of Fair Trading under section 2 of the Fair Trading Act 1973 on 2 July 2002 (see Press Release 34/02). The Commission was then asked to report by 1 July 2003.
2. The inquiry is being carried out by a group of five Commission members led by Sir Derek Morris, the Commission Chairman. The other four members are Christopher Clarke, Dr Diane Coyle, Peter Hazell and Dr Elizabeth Monck.
3. Further information can be found on the Commission website: www.competition-commission.org.uk
4. Enquiries should be directed to: Francis Royle, Press Officer, on 0207-7271-0242