

Creating an unlevel playing field?

The Treasury Department recently announced that it intends to add GST to all goods imported by Islanders, just four months after the de minimis was reduced from £240 to £135, and at a time when many consumers still face financial challenges due to Covid.

We put a call out for your views and you did not disappoint. We received scores of submissions expressing your disappointment, and in some cases anger, at the news. Many raised similar concerns, such as the real possibility that UK and global retailers will simply stop delivering to Jersey, creating a lack of competition and, in turn, an unlevel playing field for the consumer.

At a meeting with representatives of the department, there appeared to be a lack of understanding of who and why so many Islanders shop online, incorrectly assuming that due to the fact that the less well-off spend proportionately more on food and clothes they cannot afford to shop online. Officers from the department were also worryingly confident that 'most online retailers' now remove the VAT for Channel Island customers.

The Council was also disappointed to learn that the Government department does not intend reminding the online retailers it will be contacting that VAT should not

be charged in Jersey. Officers believe this is not the Government's responsibility and, instead, consumers should take their business elsewhere if a retailer tries to charge VAT. Not only does this seem unfair, but the Council is also worried Islanders will be, in many cases, paying 5% GST on 20% VAT – a tax on a tax.

So while the Treasury department wants to be seen to be creating a level playing field for retailers by contacting a multitude of online international retailers and asking them to add 5% for their Jersey customers, it does not want to help Islanders and ask those same retailers to make sure they remove VAT – not a very level playing field at all, in our view. We strongly believe the Government has a duty to represent local consumers too!

We have written to the Minister, including your comments, and have since received a meeting request for 31 March. Go to our website consumerCouncil.je to read our letter and any updates on the issue.



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Giving a voice to **Consumers**

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

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Temporary gas price rise becoming permanent

In our last newsletter we asked Jersey Gas customers to get in touch with their experiences of how the 'temporary' 6.5% Covid-related price increase, which came into effect 11 months ago, is affecting them and their families.

We received many emails and, in some cases, families were unable to afford to turn their heating on and reported being able to see their breath in their homes. We included these case studies in a letter to Jersey Gas at the end of January.

Following a gentle nudge, we received a reply, which crucially - and disappointingly - did not address the price rise question we had posed on behalf of consumers and the Consumer Council is worried.

What the reply did state was that Jersey Gas had 'become more conscious of the needs and requirements of vulnerable people within our customer base' and has recently launched a new scheme for vulnerable customers so Jersey Gas can extend support to them and their households based on their particular circumstances.

Although the Priority Customer Care Register comes nowhere close to resolving the price issue we raised with the company, it at least provides some support for struggling Islanders, offering tailored payment plans, and we recommend you register with the company as soon as possible if you are struggling.

To see the letter we sent to Jersey Gas, and the reply we received, visit consumercouncil.je.

Credit card update

The Consumer Protection Network* met recently to discuss the continuing difficulties that Islanders have with obtaining credit cards. Some good news is that in December, HSBC announced that they would be offering cards to Islanders who don't have an account with HSBC.

This is a positive step forward and it is hoped that other local banks will follow.

As an aside, we recently discovered some interesting information about how Gibraltarians have changed the way they bank. Following the exit of Barclays Bank, in 2016, which left the majority of people without access to either bank accounts or credit cards, a community style bank was opened, the Gibraltar International Bank, offering virtual banking. With this there has been a mass migration, across all ages, from credit cards in favour of pre-paid Revolut cards, as it has an alternative multi-currency offering. However, unlike credit cards, there are some serious question marks over the degree of consumer protection these new types of pre-paid cards and cloud-based banking have. We hope to update you further next time.

** The Consumer Protection Network is made up of the Jersey Consumer Council, Trading Standards and the Jersey Competition and Regulatory Authority, with The Office of the Information Commissioner, and the Channel Islands Financial Ombudsman as invited guests.*



Parish Constables unsympathetic to learner drivers during pandemic

Jersey's 12 parish Constables are disappointingly and bafflingly refusing to budge on the issue of provisional driving licence renewals for those Islanders not able to sit their theory or practical tests during Covid-19 restrictions.

While not strictly a consumer matter, we could not sit back and see so many Islanders – many of them youngsters – vent their frustration on social media at being charged to renew their provisional licences despite the fact they had been prevented from attempting their driving tests due to the test centres being closed.

We approached the parish Constables on their behalf and asked for some common sense to be applied.

There are currently two reasons why the Parish Halls will exercise discretion when renewing a licence if a person has not attempted a test: absence (e.g. student away from the island at college) or illness. All renewals will be charged.

This makes perfect sense in normal times, but we've been living abnormal lives for the last 12 months. We are not placing blame at anyone's door but feel the unprecedented situation Covid restrictions has caused learner riders and drivers should have been managed more sympathetically.

One unfortunate young lady applied for a provisional car and motorbike licence in May 2020. She passed her theory but the first available practical test was 27th November – four days after her provisional licence expired. She was forced to pay for a renewed

licence. She was then contacted by Contact Tracing and forced to self-isolate, with the next available test at the end of January. Then the second lockdown happened and she is now due to take it in the coming weeks.

Although discretion is taken in situations of specific hardship, we simply cannot understand the Constables' out-of-touch stance on this subject.



We put your GST questions to Customs

Following our November article on the GST de minimis change, we were inundated with questions from you about why your parcels and online shopping deliveries were being held up at Customs. The main issue was that any online shopping arriving in Jersey on the same day was being collated and if the total value of all of the goods exceeded £135, the goods would not be released until GST was paid. In order to provide some clarity for consumers, we spoke to the Customs department.

How long has the practice of applying GST to all items arriving on the same day for one consumer been in operation?

This is not unique to Jersey. Import GST is treated as a customs duty, hence the same rules are applied to its collection. This has been the case since 2008, when GST was introduced.

Could you clarify whether the aggregation of goods on the same day only applies to goods bought from the same seller, or is it the total value of all goods bought online arriving that day?

Relief from GST is applied to consignments upon importation. They are only aggregated and the value summed if they arrive on the same day to the same person. The seller is completely irrelevant. To be clear, the £135 limit applies to the value of a total consignment that is imported, not the separate value of individual items that are in a consignment.

What constitutes the same day ie when does that day begin and end?

All arriving consignments are recorded on a ship's manifest (See Article 26 of the Customs Law). Consignments are only merged if they arrive on the same day and time i.e. they are on the same ship's manifest. So, if a person has another consignment recorded on another ship's manifest, even if it arrives on the same day, they are entitled to and will receive GST relief in relation to the second consignment if applicable.

Could you tell us why Amazon is being treated as a single seller, when in fact it is a marketplace with many thousands of different sellers all using the Amazon platform to sell their goods and accept payments on their behalf?

The business supplying an item has two delivery options and choosing which to use is entirely their decision.

SELLER FULFIL - the business dispatches the item themselves. These consignments do not bear the Amazon logo or packaging and the business is recorded as the consignor on the ship's manifest (not Amazon).

FULFILLED BY AMAZON - these items do bear the Amazon logo and packaging and Amazon is recorded as the consignor on the ship's manifest.

When the item(s) arrive in Jersey, details including value, consignee and consignor are provided on the ship's manifest.

SELLER FULFIL - our system will check to see if any other items have arrived on the same day from the same consignor. If this is the case the items will be merged. If the value is >£135 the item(s) are automatically released. If the value is < £135 they are detained pending payment of GST

FULFILLED BY AMAZON - exactly the same process as above.

If the consignor is recorded as Amazon, it has been fulfilled by Amazon. If the consignor is recorded as the seller, it has been fulfilled by the seller. The two are treated as separate consignors (sellers) despite the transactions taking place on the Amazon platform. According to the law all these consignments should be summed regardless of who the consignor (seller) is if they arrive on the same day. Instead, we only merge consignments sent from the same consignor (seller) as recorded on the ship's manifest.

Where does it give any guidance, clarification or explanation about how goods can be aggregated on the same day and treated as one purchase?

Firstly, it is common practice for consignors to consolidate orders that arrive as one consignment, therefore they have already been aggregated and are subject to the provisions of Art 3 of the Customs Law. Secondly, Customs will aggregate consignments only if they fit the parameters we have already mentioned. However, the intent of this practice has been lost in translation and has been grossly misinterpreted when in fact it works to the benefit of the consumer rather than disadvantaging them. Effectively it means that goods sent from two separate consignors are treated as such, whereas they should be summed as one. That said, if Customs are able to demonstrate that an importer has deliberately disaggregated their consignments to avoid paying GST then we can merge them as per GST Direction 2020/4, which states This relief is not available where goods are artificially disaggregated in order to produce a number of transactions each with a value of £135 or less.



5%

Would you accept that aggregating items in this manner puts the consumer completely at the mercy of the courier/postal service, the shipping company schedule and, on some occasions, the weather?

It is impossible for Customs, the consignor or the consignee to know in advance when goods will arrive. What happens to them between point of sale and point of arrival is of no consequence and has absolutely no relevance to determining when they become liable to import GST. Even if you wanted to, it would be impracticable to factor in all the possible variables i.e. weather. This is why Article 3 of the Customs law explicitly specifies the time when goods are treated as having been imported. This is entirely proper because it ensures fairness and consistency to all imports and balances out the vagaries of the supply chain.

“Consignments are only merged if they arrive on the same day and time

If the ordered goods are returned, or if one of the items you aggregated are returned bringing the total order below the £135 threshold, can consumers have a GST refund?

GST refunds are administered by this Service in accordance with GST Direction 2020/06 issued by the Comptroller of Revenue. This Direction establishes a facility for the refund of GST paid on goods imported by private individuals where those goods are returned to the supplier. There are a number of conditions to be met by applicants and where only part of a consignment is returned. Customs reserve the right to decline an application for a refund of GST where the imported value of the goods returned is below £135. This is so that we are not processing GST refunds of small amounts, as there is both an administrative cost as well as a bank charge cost and therefore any refund below £6.75 (5% of £135) may in some cases actually cost the Government more money to refund than the refund itself.

We disagree with refunds being withheld even though the GST regulations state ‘Where only part of the consignment is returned, Jersey Customs reserve the right to decline an application for a refund of GST where the imported value of the goods returned is below £135’. If someone was to return an item to a local shop, the full refund would be given for that item, which includes GST, so to treat postal items differently could be seen as discriminatory.

The legal vires enabling the administration of refunds exists in GST Direction 2020/06 Relief from GST for returned goods. If an importer has paid £6.75 or more import GST (value equivalent of £135) in relation to a single or aggregated consignment, then they are entitled to a full refund if the goods in their entirety are returned because they are unwanted. However, partial refunds of import GST, where only part of a single or aggregated consignment is returned because the goods are unwanted, are not processed. Exceptions to this rule can be made where goods, having previously formed part of a single or aggregated consignment, are returned having found to be faulty or damaged.

GST
Goods and Services Tax

Student spending survey

Last autumn, we asked students from the Island's secondary schools and colleges to complete a survey about their spending habits. We received just over 2,000 responses, which provided a fascinating insight into how and where these young consumers spend their money.

50% of those who receive pocket money get it in the form of cash, with the majority receiving between £20-40 per month. Other payment methods parents and guardians use are bank transfer, mobile phone credit and contactless cards, such as Rooster and goHenry.

Fewer than half of all youngsters who replied spend their pocket money locally with 40% spending it online. With new electronic ways to pay pocket money and the continued growth of online stores, gaming and music downloads, the expectation is that figure will grow, adding more pressure to local retailers.

Nearly two thirds of students undertake chores in return for their pocket money/allowance, with the majority of those tidying their bedrooms. Of those who receive an allowance, 21% save it, and over a fifth of respondents do not receive any form of regular money. 16% do not receive any form of allowance.

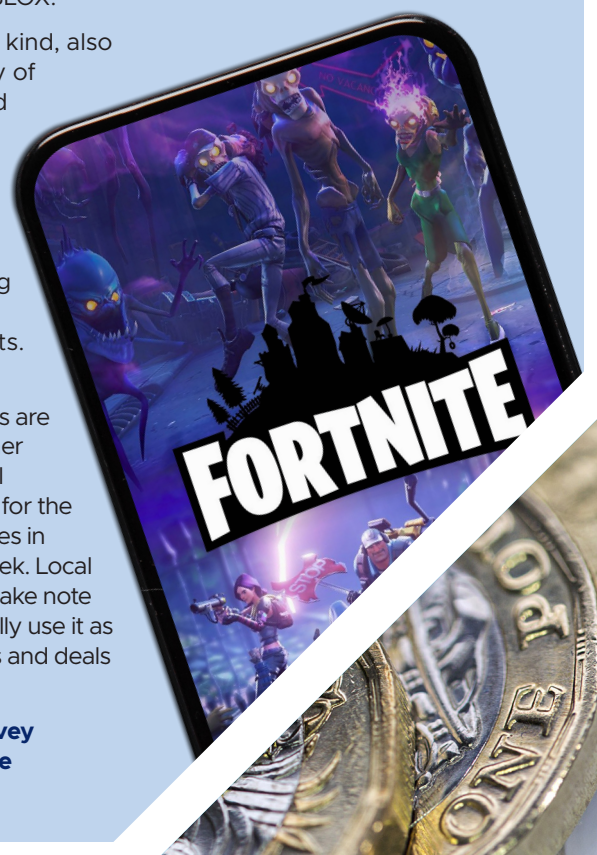
The main purchases made are on clothes and shoes, and food, sweets and drinks. A third of respondents

use their pocket money for online gaming, be that through Steam or direct purchase on games such as Fortnite, Pokemon or ROBLOX.

The survey, the first of its kind, also revealed that the majority of the Island's students used their 'Spend Local' card on clothing and shoes, while nearly 430 students had the cards either swapped for cash, amalgamated to buy a big family purchase or taken from them by their parents.

However they spend their money, our young Islanders are a real force in local consumer spending with a substantial amount of potential spend for the local economy burning holes in students' pockets each week. Local retailers should sit up and take note of this statistic, and hopefully use it as a reason to offer incentives and deals for our students.

The full results of the survey are on consumercouncil.je



Scammer called the wrong person!

Scams are the bane of our lives and, sadly, many of us are caught out by them each year. Scammers target anyone and are becoming more sophisticated, requiring us all to be more vigilant in our day-to-day lives.

Phone scams are commonplace and annoying, with many of us receiving many more in recent months, often with the more vulnerable of us at greater risk.

Just before Christmas, our Executive Officer received a call from someone pretending to be from 'Domestic Appliances', saying her washing machine insurance cover was expiring, and offering three years' extended cover for the price of two years. They confirmed her full name and address (publicly available information) and then used manipulative tactics to build trust, and eventually ask for bank account details they could take the payment from.

As she refused to give her bank account details, the man's tone became more forceful and urgent. He used scare tactics, saying the 'new GDPR law' states they cannot hold your bank details and due to the pandemic the company's processes have changed, which was why they were phoning for the payment.

It would be easy to assume the call was from the real 'Domestic and General' and highlights how easy it can be for people to be tricked and pressured into giving out their personal information.

Our officer was able to record the phone call so that you can watch the heavy tactics these people will use. To watch it, **search for @JerseyConsumer on Facebook**, and actions are currently underway to progress the matter. If you think have fallen victim to this scam, please get in touch.



Pricecomparison.je

It's been nearly six months since we launched the pricecomparison.je website and free downloadable app. It has been received well, with several thousand downloads and site visits.

Our members visit the six main supermarkets each week to collect the prices of various grocery and household products. The store locations we visit can be found by clicking the store logos.

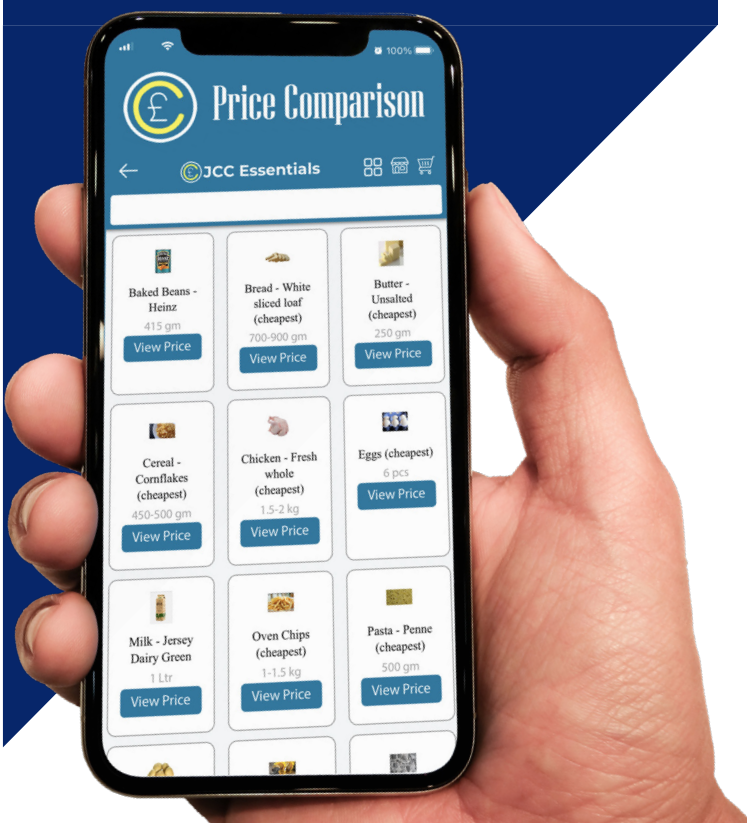
Unfortunately, with the increase in Covid-19 cases in November and December, and to ensure the safety of our members, price collection was put on hold in December until mid-January.

These are the current store locations we use, which are subject to change:

- Alliance Tesco - Halkett Street
- Co-Op - Grande Marche, St Helier
- Iceland - St Peter
- M&S - King Street
- Morrisons Daily at Benest - Millbrook
- Waitrose - Rue des Pres

The initial 42 product prices have since increased to 74, plus festive items in the lead up to both Christmas and Easter. Products include both the cheapest option (which could be an own, unknown or well-known brand) and several well-known branded items. We hope to reach 100 products by the end of April, and with the support of the supermarkets increase that even further over the coming months, giving a comprehensive choice of items enabling you to make the best decision depending on your budget and/or shopping basket needs.

An exciting recent addition to the site is the fuel and heating oil prices, meaning pricecomparison.je has become a fantastic one-stop-shop resource for Islanders. We won't stop there either, so please suggest anything you would like to see the price of being compared.



Victories for you

Postal surcharge

We asked Jersey Post last summer to review the £5 New Zealand surcharge that it introduced due to 'route changes caused by Covid-19'. We asked again in November, and got a good result for consumers. Jersey Post has reduced its surcharges to 50p per 100g to 2kg (letters) and £2.50 per 500g to 2kg (parcels). Well done Jersey Post!

Landline charges

Jersey Telecom has apologised after failing to properly tell consumers about the reintroduction of landline charges. While the telecom provider made a great move to effectively scrap its landline charges during the Covid-19 restrictions, it brought them back in on 11 January without letting anyone know. It meant the first most JT customers knew about it was when they received their first bill. After a number of consumers brought the matter to our attention, we contacted JT – who were quick to respond.

They told us: "We did not publicly announce the ceasing of these initiatives as it was linked to the festive season and the government restrictions. We acknowledge this has caused a number of complaints and will ensure any removal of future COVID initiatives are publicised. As with all previous initiatives, we have implemented a refund policy for anyone calling JT with bill shock."

If you have been affected by this change, please call JT and request your refund.

Condor vouchers

With the announcement that Condor Ferries intends to soon resume sailings, we got in touch with the ferry operator to ask about the vouchers it issued during March and April last year, which all had a 12-month expiry term.

A spokesman for the company revealed that 'provided travel and quarantine restrictions in the Islands are eased, we can look forward to the summer season with some level of optimism' and has agreed to replace them with ones that have an 18 month expiry date. So, if you were unable to redeem your original voucher you will be reissued with a new one with a further year and a half validity.

To find out more or request a new voucher, please contact customer.relations@condorferries.co.uk rather than the usual contact centre.

Still too expensive?

At the start of the year, media headlines stated Jersey was the most expensive place in the world to live. Looking at the statistic site used to obtain this information, which is a contribution site where anyone can update the information, we noticed a glaring error stating a 1.5ltr bottle of water cost £79.33, thereby badly skewing the overall result.

Having contacted the site about the error, they advised that the Jersey page had

less than 50 contributors, 3 of which had incorrectly provided the cost of water. They agreed to act quickly by reviewing the algorithm and taking care to sense check information in future.

Jersey is now 15th of the 595 towns and cities in the cost of living table, which is still far too high, when cities like Sydney and London are ranked 31st and 32nd respectively.

Important changes to the postal system

Both Brexit and Covid-19 have led to some significant changes to the service you can expect from Jersey Post and postal services overseas. After a number of you contacted us to report some problems, we approached Jersey Post for an explanation

Tracked and Signed Delivery

If you're intending to send anything by 'tracked and signed', 'signed for' and 'premium' delivery, counter staff should be advising you that, until further notice, no compensation will be paid if your item gets lost or doesn't arrive within the given timeframe. Compensation has been suspended on these services since March 2020, but customers can still buy the 'tracked and signed', 'signed for' and 'premium' delivery services.

A Jersey Post spokesperson told us that "items sent using our premium services stand a better chance of arriving quicker as these items are kept separate from normal mail. That said, due to the service disruptions we're facing, we cannot guarantee that items will arrive within their given timeframe, and this is why compensation has been suspended".

Due to Covid, most worldwide postal authorities declared 'force majeure' and have significant backlogs resulting in delays. Royal Mail are only paying compensation in exceptional circumstances for premium products such as Special Delivery items.

Electronic pre-advice customs (EAD)

Changes to international postal requirements, driven by the Universal Postal Union (UPU) and approved by the UK Government, came into effect on 1 January, so we asked Jersey Post to provide an explanation.

The UPU is implementing regulatory measures to synchronise postal authorities worldwide. This directly impacts Jersey Post's products and services, who must follow international regulations and maintain its reputation abroad. EAD is an electronic version of a CN22/CN23 form which allows information to be sent to the receiving country prior to the item arriving there.

With the rapid growth in retail eCommerce, the EAD regulation was implemented globally to automate manual processes, speed up customs clearance and reduce VAT and online fraud. Failure to follow these changes runs the risk of items being held up, returned, not delivered, or even destroyed.

- **International bound items:** Effective 1 January 2021 CN22 and CN23 forms are no longer valid for items being sent internationally.

- **UK bound items:** Delayed until Q1 2022
Originally due to come into force on 1 April 2021, but Jersey Post have negotiated a delay with Royal Mail, meaning CN22 and CN23 labels are still valid for items to the UK.



Sending goods and merchandise to the UK

In 2019, UPU regulatory changes meant postal items containing goods or merchandise could only be sent as a 'Parcel' or 'Large Parcel'.

A new agreement which has been reached with Royal Mail now allows letters to be included in this service and reintroduces the 'Letter' format for goods and merchandise being sent to the UK. So, as an example, if you can fit a scarf into a 'Large Letter' and it is within the given dimensions, you will only be charged the 'Large Letter' price and not the 'Parcel' price. Another example is gift cards sent to the UK in a 'Letter' sized envelope will now be charged as a 'Letter', not a 'Parcel'. Both these examples still require CN22/CN23 forms attached to them as they include items other than documents*.

All items containing goods sent internationally will still be charged as a 'Parcel' or 'Large Parcel' and will require EAD. Items sent to all international destinations are treated the same. Royal Mail doesn't consider Jersey Post as international, which is why a special inter-territory agreement for sending goods and merchandise in letter formats has been agreed.

New weight and dimensions came into effect on 1 April 2021.

*Anything other than letters, documents or personal correspondence should have a customs form attached when being sent to either the UK or international destinations.

For more information on any of the above, visit www.jerseypost.com