

Which?

Interim review

1 JULY – 31 DECEMBER 2017



Chairman's Welcome



This interim review is designed to keep our members fully up to date with Which?'s activities and performance since our last annual report.

The digital world in which we make our everyday decisions as consumers is moving faster as each month passes, and we have to deal with organisations of ever-increasing scale and influence – but limited accountability. Which?'s role in championing consumer interests and helping people make informed choices through our charitable and commercial activities is more important than ever. In an era of increasing mistrust of information, Which? must hold on to its reputation for independence and provide the evidence-based analysis that makes life fairer for consumers.

At the same time as addressing our new challenges, we have also focused on a vital consumer interest that remains as urgent today as it was when we were founded 60 years ago: improving product safety.

To take one recent example – when we found growing evidence that the backing material of fridges can greatly increase the risk of a fire spreading, we successfully applied pressure for change across manufacturers, government and regulators, ultimately influencing the standard on refrigeration safety. This integrated campaign across our charity and its commercial businesses, combining our expertise in research, policy and consumer advocacy to maximise our combined impact, is a successful example of our One Which? approach in action.

We also recognise that, in this digital world, the information and services we offer have to take account of the many different ways in which our members and subscribers want to use them. We have invested in our digital platforms, improving and developing the ways that people access our advice and information. Our live chat functions have become an increasingly popular channel, and we are reaching new audiences digitally, with 55% of those downloading

our newly relaunched reviews app being between 25 and 45 years old.

Which? is also reforming. Over recent years we have heard concerns from our Ordinary Members about how we are governed, including the need for greater engagement and transparency. We have listened and taken action, most notably in the proposals we put to the AGM in November, with which members agreed and which are now being implemented. We have answered all the pre-submitted AGM questions, created an audio recording of the AGM and launched a special area of Which? Conversation for members to discuss our governance. In addition, we have launched the Member Governance Committee, which will allow ordinary members to submit governance issues for Council to consider outside of the AGM. I hope many of you will make use of these new ways of engaging with us.

If our membership is to grow and participation increase, we must also look at ways to modernise our charity and our commercial model to ensure that we can sustain it into future generations. We will look at more flexible ways for people to access and participate in everything that Which? can provide, at the same time as we fulfil our commitment to further the interests of all consumers. Our wider governance review and analysis of what it means to be a Which? member that began last year aim to address all these issues.

I believe our ability to achieve our mission depends not only on building trust with consumers, but also on our strength as a membership organisation. As Chair, I am committed to reinvigorating our membership and ensuring that we represent the breadth and diversity of British society, in order to be a truly representative consumer champion.

A handwritten signature in black ink that reads "Tim Gardam". The signature is written in a cursive, slightly slanted style.

Tim Gardam
Chairman



2.9m

visitors to Which? University



48.5m

total visits to which.co.uk



513,000

visits to Which? Elderly Care



21,503

comments on Which? Conversation



107,575

signatures for our 'Care needs care now' campaign



719,008

average number of members over this period



13,469

conversations on the Which? Legal live chat function



593,215

average number of
Which? magazine subscribers



8,846

Trusted traders at December 2017



176,800

calls into Member Service Centre



2,257

new product reviews published



11.9m

unique visitors to our reviews and advice content



533

new Best Buys



57,621

average number of subscribers
to *Which? Gardening* magazine



3,418

mortgages arranged for homebuyers



41

newspaper front pages



Financial summary

We are self-funded and do not receive money from donations, fundraising or government, which allows us to be totally independent and impartial. Our commercial activities, which themselves are set up to make consumers more powerful, fund the charitable work we do on behalf of all UK consumers.

We have seen encouraging growth in the first half of this financial year, with total group income £1.1m higher than at the same point last year. This success is driven by the continued growth of our new businesses.

Which? Legal has continued its recent strong upward trajectory, with sales of wills, powers of attorney and, more recently, probate products performing

well. We are continuing to develop new legal products and services that address current consumer detriment where people's needs are not being met for the right price.

Which? Trusted Traders has expanded. At 31 December 2017 we had 8,846 endorsed traders – almost 1,000 more than this time last year.

Which? Mortgage Advisers has also continued to expand as the business moves closer to profitability. In the six months to 31 December 2017, we submitted 3,418 mortgages on behalf of our customers, 34% more than at this point last year. We expect mortgage volumes to significantly rise again in the second half of the year.

Spend on trading activities over this period dropped from £40.7m to £35.6m, primarily reflecting a reduction in our marketing outlay. Spend on both consumer research and promoting consumer interests held steady, with similar levels to the previous year.

Expenditure across the group is traditionally always slanted towards the second half of the year, and as such we expect that the £6m half-year surplus will reduce significantly by the year end. This will be driven by the step up in our digital investment programme, which will dramatically increase our overall system functionality and capability.



£5.4m

spent on campaigns and free advice

	Six months ending 31 December 2017 £m	Six months ending 31 December 2016 £m	Year ending 30 June 2017 £m
Total group income	50.6	49.5	101.1
How we spent our income			
Trading activities	(35.6)	(40.7)	(80.1)
Consumer research	(5.2)	(5.3)	(11.6)
Promoting consumer interests	(5.4)	(5.2)	(13.3)
Total expenditure	(46.2)	(51.2)	(104.9)
Net investment gains	1.6	4.0	5.0
Net group surplus	6.0	2.3	1.2

Working across markets



Our five-year strategy brings together all of the power of Which? to provide the insight, expertise and energy needed to tackle consumer issues. As part of this, our policy team takes a strategic approach to uncover consumer detriment and find innovative policy solutions across our key market areas, listening and working closely with consumers to shape our campaigns. We drive change through fewer, but more powerful, and integrated campaigns, measuring the impact as we go to help shape future priorities and strategy. This shift in strategy means we can delve deeper into the really important issues and make change happen where consumers need it the most.

In the first half of this year, we have engaged with ministers, regulators and businesses on our key issues. We gave evidence to a range of select committees on topics such as energy and product safety. We have continued our push to

ensure consumers remain at the forefront of Brexit discussions, giving evidence in front of three Parliamentary select committees on Brexit related topics, as well as to a European Parliament hearing in Brussels. We worked with Vicky Ford MP to secure a Westminster Hall debate on the effects that leaving the EU will have on consumer rights and consumer protection, and provided written evidence to a number of committees.

We live in a world that is increasingly complex and fast moving, with people facing more choice than ever before. With this comes increasing challenge, and therefore independent and reliable, help and advice is invaluable. In the latter half of the year, we will continue to take this turbulent environment head on and grapple with issues such as Brexit, companies' use of individuals' personal data and the digital revolution, ensuring consumers are fairly represented.



14

Select committees
received evidence
from us

Home products and services

Moving

Moving home is meant to be a happy experience, but far too often it can be stressful and lose people money. Choosing the wrong estate agent is just one example of this, and to tackle this we launched a trial of an estate agent comparison tool, in partnership with comparison specialist, GetAgent. The tool helped sellers to find the best local high-street estate agents, based on past performance. Early results have been positive, with around 3% of visitors to our estate agent pages using the tool, and hundreds requesting valuations.

In September, we also launched a new energy switching tool for renters. Unique in the marketplace, it lets tenants compare energy deals based on the length of their tenancy, rather than the length of the tariff.

Buying

People now face more choice than ever before for products and services, and with this in mind we added 2,257 new reviews to our 9,000-plus published reviews on which.co.uk, issuing 533 new Best Buys and 106 Don't Buys. We carried out 25 investigations, driving positive change across sectors including retail, hospitality and travel.

We have invested in our digital offering to make it easier for people to access and understand our reviews. Our *Which?* magazine app saw record usage level, with a 43% year-on-year improvement. We also relaunched our reviews app and opened up a free trial to non-members. This proved popular, with more than 8,200 downloads – 55% of those from people aged between 25 and 45.

With this improved app, a significant marketing campaign and our research uncovering that not all Black Friday deals are as good as they seem, we helped people navigate Black Friday once again. We saw more than 2,160 new triallists as a result, our biggest day ever.

2,257

product reviews published
and 533 new Best Buys issued

Using

Product safety has always been central to our mission, as far back as campaigning against the use of lead paint in children's toys in our early years, and it will continue to be one of our focus campaigns for 2018.

When we found evidence that the backing material of refrigerators can greatly increase the risk of a fire spreading, we added warnings to all relevant reviews, advised consumers of our concerns and called on manufacturers to stop making these products. We secured a select committee inquiry, ministerial discussions and support across Parliament, gaining the backing of key influencers. The issue clearly resonated with consumers, as 189,266 people visited our refrigeration reviews and advice on one day.

We also saw 3.2m visits to our Consumer Rights website. Our online tools were used more than 66,000 times and our template letters were downloaded 139,000 times. We launched or relaunched eight tools, including ones to help people claim back when their



flight had been delayed and to appeal a parking ticket. Our live chat function is also proving a popular platform, allowing people to quickly and conveniently get the advice they need.

When British Airways and Ryanair failed to provide the service people expected, leaving many passengers owed compensation, we led the way in giving advice to anyone who was affected. We also secured action by the aviation regulator, forcing Ryanair to give better information to its affected customers.

Fixing

People come to us because they trust the advice, recommendations and one-to-one support we give. At the end of December 2017 we had endorsed 8,846 Trusted Traders across the UK, with 107,000 reviews left by customers on trader profiles.

Helping people tackle their broadband service issues has been another campaign focus, and 1.8m speed tests were conducted through our Broadband Speedchecker. This has helped us to build a picture of broadband service across the UK, build support for our campaign and support more than 3,000 complaints for those dissatisfied with their speed.

We also secured positive changes: the speed claims made in broadband adverts will now need to be the speed available to at least 50% of customers, rather than the previous 10%, and compensation for broadband issues will now be automatic.

8,846

 Trusted traders

Public and mixed markets

Tackling issues that matter

In October we launched our 'Care needs care now' campaign. This called on the regulator and government to address the shortfall in care home spaces and the dwindling quality in our care homes, gathering more than 107,500 supporting signatures. We submitted evidence and research, including nearly 1,000 stories of people's experiences with care homes, to the Competition and Markets Authority's care home market study. As a result, it agreed that the care home market is unsustainable and has made a series of recommendations to government and regulators to improve it.

As part of our continued focus on issues in the rail sector, we looked at passenger satisfaction levels and conducted research revealing that last year rail passengers lost 3.6m hours to significant delays. We're pleased that the government has committed to creating a rail network that is focused on passenger needs and customer service, and thanks to our campaigning, the rail industry announced that a new Rail Ombudsman would be established.

Here for you at each stage of life

University

Which? University had 2.9m visitors over the period, with our tools being used over 720,000 times. We launched a Personal Statement Builder in October, offering step-by-step and tailored subject guidance for students writing Ucas personal statements. Our information and advice attracted nearly a quarter of a million visitors in the two weeks ahead of A-level results day, making it our most successful exam results season yet. The new higher education regulator, the Office for Students, was established in January 2018, paying heed to our calls for regulatory reform and a more student-focused regulator.

1,000

people submitted their stories as part of our evidence and research to the Competition and Markets Authority's care home market study

Family

The newly rebuilt and improved Which? Birth Choice website has proved popular with users. The site had 412,000 visitors, with 37,000 expectant parents using the tool to find the right place for them to give birth. Following the redesign in August, tool use was up by a third compared to the previous five months, while 75% of visitors came to the site via a mobile.

Arranging care

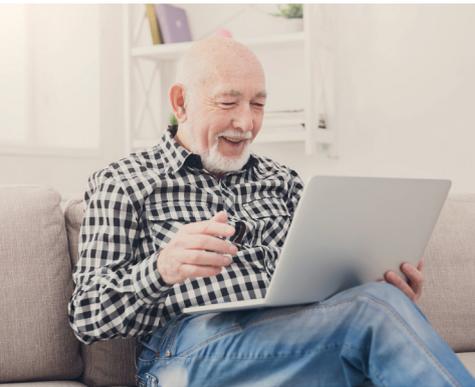
We saw 513,000 visitors to the Which? Elderly Care website (40% more than the previous year), with our pages on financing care proving the most popular. We exhibited the site at the Occupational Therapy Show, meeting with a range of industry stakeholders.

513,000

visits to Which? Elderly Care



Legal



13,469

conversations via our Which?
Legal live chat function

We are relentless in our commitment to making quality legal advice accessible to more people, as we know it is not always easy or affordable to find. We have seen more and more people using Which? Legal and Which? Wills, as well as our new probate service. We are testing new services this year, with Which? Legal also now able to review and prepare documents for customers in some areas.

During the period, the Which? Legal sales and service team handled 50,325 calls and our lawyers answered 36,175 call or email queries.

We launched a free phone consultation and step-by-step checklist to help people going through probate. This has proved popular, with the checklist downloaded more than 800 times in a matter of weeks after launch. Our investigation into probate involved asking nearly 1,000 members who'd acted as executors in recent years to share their experiences of dealing with financial

firms. As a result, we were able to give advice on how to make probate run more smoothly, which was well received by members.

We continue to highlight the importance of making a will and a Power of Attorney. Over the six-month period, 48,355 people have requested our free guides on the topic, up from 14,554 for the same period last year.

We're also improving and developing our Which? Legal live chat function, which offers customers support across Consumer Rights, Legal, Wills and Probate website queries. We listened to feedback and improved functionality of the app, including introducing a pop-up chat window that stays with the user, to avoid conversations being lost. The team hosted 13,469 chats in total over the period, helping customers at their convenience. We'll continue to expand our offer as we grow the Which? Legal business in the coming years.

Money

Challenging unfair charges

We were pleased that the Financial Conduct Authority agreed with our concerns about banks' high unarranged overdraft charges. Following our research comparing the cost of these with payday loans, the FCA included overdrafts in its review of high costs credit, and committed to fundamental reforms. In advance of regulatory intervention, Lloyds Banking Group changed its pricing structure to scrap its unarranged overdraft charges, mirroring what we called for.

As of January 2018, a complete ban on companies charging customers extra for paying by debit or credit card came into place as part of the revised EU Payment Services Directive. This comes after seven years of continued Which? campaigning, starting in 2011 when we submitted a super-complaint to the Office of Fair Trading after we found that card surcharges were often far in excess of what it cost companies to process card transactions. This led to a ban on excessive surcharges in 2012, but we continued to call out firms with high surcharges, putting pressure on them to lower or remove them entirely.

Campaigning to protect your money

We know many people across the UK still rely on cash, so when proposals were announced that could lead to the closure of many free-to-use cashpoints, we took action to swiftly raise our concerns. We engaged MPs on the issue and have called on the regulator to step in and ensure that people can carry on easily accessing their cash for free. We will continue to campaign on this issue throughout the year.

We achieved a major win following our 2016 super-complaint about bank transfer scams. For the first time, the banking industry was required to publish statistics on the scale of the problem, showing that over £100m was lost in the first half of 2017. In November, the Payment Systems Regulator announced proposals for a scheme to reimburse victims of this type of scam. As part of our 'Safeguard us from scams' campaign, we published an article in the October issue of *Which? Money* exploring how fraudsters can open bank accounts in your name. This was the most popular article in the period.

Providing reliable advice

Which? Money remains the best-read personal finance magazine in the UK, with an average of 65,473 subscribers. We carried out 30 investigations and rated 189 financial services including bank accounts, savings accounts and insurance, naming 24 of these Which? Recommended Providers. In addition to *Which? Money* magazine, people can use advice and information on a range of financial matters via Which? Mortgage Advisers, Which? Money Helpline and our Which? Money website.

65,473

average subscribers to *Which? Money*

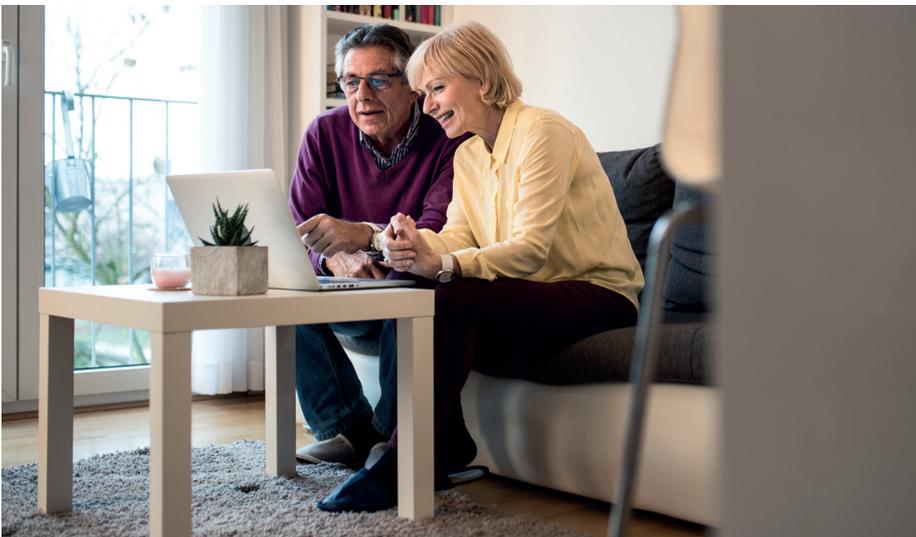
The Which? Money website had 5.8m visits in the period, with our live impartial coverage and analysis of the Budget proving the most popular. The Which? Money team took part in Facebook Live on Budget day, which reached over 19,700 users, and the live advice available on the Which? Money Twitter feed reached 58,000 people. Plus our online PPI tool means we can facilitate PPI complaints made direct to all major high street banks quickly and easily.

The Which? Money Helpline handled 9,757 calls and won back more than £200,000 in compensation and redress for members. This included £100,000 from the FSCS for mis-sold investments and £8,500 for a mis-sold pension.

It has been another successful period of growth for Which? Mortgage Advisers. We were contacted by more than 30,000 people and arranged 3,418 mortgages, using 65 different mortgage lenders.

3,418

mortgages arranged for customers



Our people



People strategy

In 2017 Council approved a new People strategy to ensure our leadership and people approach is fit for the next phase of growth and impact. The strategy has five aims:

1. Make Which? a recommended employer brand.
2. Support the success of the One Which? strategy through redefining the culture, values, organisation design, and remuneration approach.
3. Further develop an excellent consumer and customer experience across all our engagement channels.
4. Further develop the management and leadership, building talent for the future.
5. Ensure sustainable employee engagement.

We have made significant progress in all of these areas, including launching the new 'Which? Way of Life'. This includes a newly defined culture, employer promise, values and ways of working. We have also launched our new careers website, as well as a leadership standard and development programme for all managers.



Remuneration

Last year, we announced a new remuneration approach and principles for all employees, including senior executives. In light of bringing our charitable and commercial arms closer together, all staff are now incentivised to meet a mix of charitable and commercial objectives.

We benchmark our remuneration as a social enterprise, looking at commercial, charitable and not-for-profit companies to create a hybrid comparator benchmark group. The next key aim is to implement this across the organisation, which is on track for June 2018.

From 1 July 2017 our chief executive Peter Vicary-Smith now receives a base pay of £245,000, with an on-target bonus potential of 60%, against very stretching objectives with both a financial and charitable impact.

Mike Tye, Chair of the Remuneration Committee since 2016, is due to leave his position in March to focus on his role at Prostate Cancer UK. Mike has played a key role in overseeing the development of the new remuneration approach here at Which?.

Gender pay gap

In line with statutory requirements, we will report imminently on our gender pay gap, submitting our results to the government and making them available to the public on our website. Our figures show we are performing well against the national average of 9.4% for full-time employees, based on the average (mean) rate of pay, with a 7.21% difference. We are rigorous in ensuring that we give equal pay for equal work, and our gender pay gap reporting reflects our significant efforts to ensure we provide equality of opportunity and reward across the organisation.

With regard to the bonus gap figure, it is worth noting that the statutory reporting date refers to those relevant employees as at April 2017, and so these figures will include payments that were made under the now-closed long-term incentive plans (LTIPs). We expect the closure of these LTIPs, and the corresponding payment terms, to affect the statutory reporting figures up to April 2019. As a result of the changes we have made to the Corporate Leadership Team, as well as to our remuneration approach and the executive remuneration review, we are confident that our median bonus gender pay gap figure will have improved significantly by 2019.

Gender pay gap	Number of employees	Average hourly rate	Median hourly rate	Average bonus
 Female	381	£22.05	£18.89	£2,693.48
 Male	342	£23.76	£19.81	£4,105.78
% difference		 7.21%	 4.63%	 34.40%

Our governance

Engaging with you

After the Annual General Meeting in November we responded to all member questions that we didn't have the time to address at the event, sharing all of the answers on the Which? Conversation website. The audio recording was made available following the vote at the AGM.

We are pleased to see so many Ordinary Members using the new governance area of Which? Conversation to discuss issues that matter, and we plan to continue this two-way communication throughout the year. To date, 79 new members have joined the conversation, and there have been 3,500 page views since its launch in November.

In February, following one of the resolutions passed at the Annual General Meeting, Council finalised an alternative way for Ordinary Members to submit governance issues for Council to consider outside of the AGM.

The Member Governance Committee has now been established, and Donald Grant has agreed to chair it. The first meeting will be held in May. We have posted guidance to all Ordinary Members on the process for submitting proposals on our website and look forward to receiving the first proposals. The Member Governance Committee, under Donald's guidance, will consider and make recommendations in relation to these proposals, including whether the changes proposed are generally for the good of the organisation, as well as their practical implications.

Governance review

Our governance review is a significant piece of work for us and we are committed to finding the best person to lead this as an independent Chair.

We haven't appointed a Chair yet, but we will keep everyone updated on our progress with the appointment and with the review itself as we move forward. Please look out for updates on the Ordinary Member Governance page of Which? Conversation. The review sits alongside some strategic work we are doing to understand more about what membership means to our existing and potential supporters, members, users and customers, with the aim of increasing participation and representation among all UK consumers.

Council members and non-executive directors

We have now started the process for the 2018 Council elections, which will be run to a new timetable, as voted on at the AGM. This will allow all our Ordinary Members, to receive the ballot book, annual report and accounts and AGM notice in a more coordinated way. We want it to be easier for you to cast your votes on the AGM resolutions, review our financial statements and elect Council members together, with all the relevant information you need.

We are also seeking new co-opted members and a non-executive director for Which? Limited. To give greater public visibility to this process, we are using our careers website, LinkedIn and where appropriate, Which? Conversation. We will announce the results once appointments have been made.



Which?

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