

# EVOLVING IN A MODERN WORLD

## Member questions

**Q** *As a member for many years I was surprised and disappointed that Which? has an aging and diminishing body of members and that there was no analysis about why the benefits of objective research on products and services are not appreciated by younger generations. Where do they go for this type of information – why are these sources preferred to yours – who are your competitors – is Which? seen as too middle class and out of touch? If you can answer these questions and make yourselves more relevant the greater diversity of membership will follow naturally. I doubt if it is concerns about governance which are holding people back from becoming members.*

Thanks for your question and concern. Since joining Which? it has become increasingly apparent to me that our diminishing membership is an issue, and one that I am keen to understand more about and address.

The competitive challenge comes from the huge array of organisations and sources offering free advice, often on advanced and easy to access digital platforms, including the likes of Amazon Reviews and MoneySavingExpert.

We continue to gather insight on what our membership looks like and what different people are interested in from us through tools like our brand tracker, as well as through research focus groups and surveys.

We know we remain a trusted brand but that people often don't fully understand what Which? does, what the differentiation is or how relevant the organisation is. We are working hard to address this, raising our profile and demonstrating our relevance and differentiation, seen most recently in our national 'Fake Reviews' campaigns.

We know people come to us for different needs and interests and we are keen to offer a variety of reasons for people to want to join and then stay with us. We are continuing to work hard to understand what our different members and potential members want in order to offer more choice when it comes to accessing our content.

**Q** *I think the GRC should take a closer look at the Objective or Mission statement. We subscribed to the magazine when we were first married, at the time we had little money and we were not buying luxury goods (also in the 70's a lot of the current appliances and gadgets were not even available). But we valued the reviews of consumables like paint, cleaning products, tools, outdoor clothing and shoes and such like. The business needs to have an objective that identifies the needs of the current 20 somethings that are on a tight budget, it is no use giving us 65+ more say in the products you review if you want to bring on board a new generation. When was the last time you reviewed tents for example? It is OK to say you are going to modernise the access platforms, but that is only of benefit if you have things that are relevant to younger generations.*

I agree that having a mission that is fit for purpose and relevant for the organisation in the modern age is crucial to delivering our strategy. It needs to appeal to consumers and also importantly to our staff. We've carried out a number of internal workshops to help design and test the new mission statement, and I am pleased that it resonates well with staff, something that is very important to me.

With this in mind, and as part of the strategic review that I initiated at the start of this year, I decided to review the existing mission statement.

While we believe the previous statement's sentiment remains true to our purpose and objectives as an organisation, we felt that it was important to refresh it as well as add a tangible time period to help guide and measure our progress. Acknowledging and embracing the importance of a two way relationship with consumers was an important addition for me. The new mission is as follows:

"In the next three years we want to be the preeminent force driving positive impact for and with UK consumers.'

We are also doing a lot of work to look at the relevance of the products and services we review and give advice on, and the areas we campaign on to be able to ensure that we extend our appeal to a younger and more diverse audience.

### **Q** *Why does Which? not publish the subscription rates and increases? It would make for a more transparent organisation?*

I agree with your challenges and I am keen that we are as transparent as possible.

We have taken steps to make the price of our different products and services as clear as possible to potential customers on our website, as well as how any promotional pricing and increases work. New customers are reminded throughout the purchasing journey when the payments will take place and for how much, and we ensure to communicate to existing members 6 weeks ahead of any price increases are implemented.

As an organisation of 60 years we inevitably have customers who are historically paying different prices. We are working on this to move all members to standard subscription prices and I am committed to making pricing even more aligned, clear and transparent.

### **Q** *I speed read the report, and then searched for the word 'environment' it was used 7 times; not once was the subject of the critical changes in the environment addressed. Climate change was not mentioned at all. Though Brexit was mentioned under campaigning and influencing.*

As an organisation, our purpose is to empower consumers, primarily when it comes to buying products and services. While climate change is not directly a consumer rights issues, we take environmental issues very seriously, and we recognise how important it is for many consumers in their purchasing decisions.

We have taken steps to reflect this and are currently piloting reparability tests which we hope to develop to roll out. We have been adding packaging assessments to many areas we test and are working with our digital design team to try and elevate the brand reliability survey data we already have so it is front and centre in our reviews.

In our magazine, we have recently published pieces, and seen coverage on topics such as supermarket plastics, quality of chicken and another on food waste. We have another article on recycling coming up and we plan to keep revisiting these sorts of issues. You will have also noticed that our magazines are now wrapped in biodegradable materials.

**Q** *I think most people would understand the increased costs aspects of a senate body. However if you consider that the ill-fated Indian venture £13m and the £2.24m bonus would very likely have been stopped in their tracks I reckon the charity would be about £10m at least ahead after 8 years of paying for a wider and more involving governance.*

*I personally think that the senate idea should be viewed as a not only superior governance but also a training ground for future Trustees.*

*It would also facilitate the induction of younger interested members. In fact the whole departure into running mortgage broking services, losses £24m, sits so oddly with a housing market dominated by a few large builders who appeared to be above any criticism from Which? despite ample evidence the industry was poor for consumers.*

*Is there any chance that a Trustee or Director, or even a member of staff, can explain how Which? failed so completely to notice anything awry.*

*Looking across the North Sea some years ago the Dutch consumers banded together to solve the problem of poorly completed new builds and getting rapid remediation. Such a simple concept from a near neighbour but again not something picked up as a good improvement for consumers.*

*Unless Which? is honest about its past failings and adopts a more critical approach to consumer detriment and engineers clever actions to seek remedies it has nothing really to offer that makes it worth joining. When the Chief Fire Officers objected to plastic-backed appliances where was Which? Around six years too late in picking up they WERE dangerous. Nice one. Anyone care to explain that decision?*

*Or is my theory that having many business people involved lead to a very business tolerant charity. Who in fact wanted to join the big boys and become a financial services company and a publisher in India. What madness was this that was never put to the membership?*

Thanks for the questions you submitted on Convo in the Corporate Governance Team's live session last week. I want to start with an acknowledgement that there have been some mistakes of the past but hindsight is a wonderful thing I am keen as the new CEO of this great organisation to move forward and lay the foundations for a strong future.

I think the issues you have raised are really important and that is why they are part of our thinking in both the governance and the strategy review. I'll take the strategic points first.

### **Which? Financial services**

We plan to talk in more detail about Which? Financial Services in our Annual Report and Accounts and at the AGM. We have always clearly understood the situation in terms of financial performance, but we were optimistic around its future success.

However, the market has changed considerably in recent years and we expect the operating conditions will only get more competitive. In addition to these external factors, we no longer believe that Which? operating directly in the mortgage and insurance markets, as it has been doing, sufficiently supports the delivery of our mission.

We are currently in a period of consultation with our employees and no final decisions will be taken until the consultation process has taken place.

## **Tackling consumer detriment**

How we decide what areas of consumer detriment to focus on, is something we have been looking at as part of the strategic review. It is impossible for us to work on every single consumer issue, and while we will always be reactive when consumers need us, it is important that we prioritise in order to have the greatest impact. We have agreed that we will focus our efforts and resources over the next three years around tackling consumer detriment in four key areas; Digital life, Scams, Money and Consumer Rights & Protection. These areas were chosen as places where consumers face high levels of risk, but also where we believe we can make the greatest difference and impact.

From a governance perspective, you've raised issues around member senate and trustee recruitment and training.

## **Member senate**

The GRC have laid out in their latest report the reasons why they decided against proposing we pursue a member senate model. I have additional concerns that this would add another level of exclusivity when we are trying instead to open up the membership.

## **Trustee Training**

You are right to bring up trustee recruitment and training. We have been very pleased this year that our different approach to recruitment has led to more candidates for election from within the membership. We want to attract more interest in being a trustee at Which? from people who would perhaps never have thought to have put themselves forward for election. I agree trustee training is then a key requirement for ensuring that trustees can deliver their full potential. We plan to do more in terms of how we induct trustees not just on what they do in the organisation but also roles and responsibilities.

