

Business Moneyfacts Awards 2006

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I was reading the label on a carton of Tesco's double cream a week or so back. OK, I know it's a bit sad.....But someone has to.

Anyway, there I was reading this double cream label, and I came across the words Allergy advice, Contains milk. Now I was so excited by this that for the next few days nothing could stop me reading every label I could put my hand on, and it's amazing what you can learn. The Fruit and Nut bar which "contains nuts", the plastic coffee cups which warn "may be hot" and the loaf of sliced bread which contains wheat. And then I happened to be walking past the milk aisle, and I stopped and I thought..... No they can't.....Oh yes they can.....Yep. Allergy advice: contains milk. It was all a bit of a blur after that.

But the next thing I can remember I was in the crisp and nut aisle...Yep. Contains nuts. Just imagine for a moment you were an alien on your way from Alpha Centauri five, to visit your in-laws on whatever planet they are currently on and you had just stopped off on Earth to fill up the tank. Warning "Inflammable", and buy a six pack of Lager. Warning "Can make you tired and emotional". And a packet of salt and vinegar crisps. Warning "May contain Garry Lineker". And I suspect you couldn't help feeling impressed

At a society which has reached such a high degree of sophistication that it can warn you that a cup of coffee may contain hot liquid or that a milk bottle contains milk. It is obviously one that has cracked the problems that have beset all other civilisations, such as hunger, poverty, disease and illiteracy. No society capable of all this would for instance kill several thousand people a year in its hospitals through MRSA because of simple lack of hygiene, or 3,500 on its roads every year, or have 18 month waiting lists for operations, or have inadequate public transport systems, or allow its elderly to retire without adequate pensions.

No you would immediately realise that this is a Society which has reached the pinnacle of development an example to the rest of the Galaxy. Now admittedly there were one or two labels I wasn't too sure about for example the mouth wash which warns "avoid contact with polystyrene". Which is an abbreviated way of saying it's fine to stick this stuff in your mouth, gargle violently for several minutes and swallow some of it.... But don't whatever you do put it in a polystyrene cup.

But the one that really caught my attention was the one on the deodorant spray, now remember this is the stuff people spray on their bodies. And for all I know a lot of you here may have done so this morning before coming here, and bearing in mind how many of us there are in this fairly confined space I would just like to thank those of you who were thoughtful enough to do so, but in case you didn't have the chance to read everything on the label before you put it on. Can I just read you these bits; "Do not spray or place on painted or polished surfaces", "Do not spray on a naked flame", "Or

any incandescent material”, “Keep away from sources of ignition, No smoking during or shortly after use, Use in a well ventilated space”. Now I don’t want to cause panic but I do think, in the interests of health and safety, all of you who have used a deodorant today should be particularly careful to avoid contact with any smokers that may be around as you go out, and if you are a smoker yourself I think you’ve just found a good reason to give up.

Surely though the real point is that you and I expect the manufacturer of. OK. Let’s call a Lynx 24 hour deodorant body spray. A Lynx 24 hour deodorant body spray to make sure the bloody things safe, if it isn’t it’s no good printing warnings on the label. They just shouldn’t be selling it. To go off the point for a moment I don’t know if you remember that we used to use things called CFC’s as the propellant in sprays, because it was a wonderful completely inert gas that was no risk to any one. Then someone comes along and says CFC’s destroys the Ozone layer so they must be banned immediately. And incidentally that also meant banning those really good BCF fire extinguishers which could be used on any fire with complete safety, unlike say water extinguishers which if you use them on electric fires. Fry you.

So what do we choose instead? Butane or Propane. The stuff we put in cigarette lighters. Not for the fire extinguishers you understand. Well we must hope not. Warning – this fire extinguisher may make the fire even worse....No I meant in the sprays. So now instead of squirting billions of cans of inert gas into the atmosphere we are squirting butane. Now I know I may be stupid, you could disagree but do you really think that squirting millions of cans of butane into the atmosphere every day is really helping global warming.

To go back to warnings they aren’t of course just limited to the manufacturing sector, the financial industry hasn’t been slow in coming forward when it comes to warnings, if in doubt put a warning on it. Preferably somewhere half way through whatever document the poor unsuspecting client is being sent the IDD, or KFI, or Leasing Agreements, or whatever.

And then there are financial advertisements, now I don’t know about you but there is nothing that excites me more than reading the small print at the bottom of financial ads. As you will know to make it even more interesting some providers now put all the small print at the top instead. You now even see it on TV ads there is one on at the moment, which I’ve only seen four times but I’m already down to line 5 of the conditions and I can’t wait to see how they end up.

Now I don’t want you to think I’m suggesting we’ve all become serial warners, I am.....But I’ll come to that later. But we do seem to have adopted a policy that if in doubt add a few more pages, cover any eventuality, put in lots of warnings. It doesn’t matter how the product performs so long as the customer has been given the right information. And you’ve kept a record. Nowadays it’s called advice. Not that long ago it was called passing the buck

Let's go back to basics if I buy say an electric toaster I expect it to work, in other words I expect it to toast bread, I expect it to be safe and for example I expect it to operate on the voltage used in the Country I am buying it in. I don't expect to have to check those sort of things before I buy. All I want to have to worry my pretty little head about is whether the colour and design goes with the rest of my kitchen. I don't expect to find after I've bought it that I should have read a 20 page document somewhere inside of which it says it only works on medium sliced bread, and not on thin or thick, and it may not be suitable for rye or malted breads. And it only works on Direct Current, and I should have consulted a qualified advisor before buying. I just expect it to do what it said.....Toast. To put it very simply either a product works or it doesn't. If a product is crap no amount of advice is going to change that. A Payment Protection Insurance policy that doesn't protect just shouldn't be sold. That isn't treating the customer fairly or being ethically or socially responsible. Its just common commercial sense which virtually every other industry understands. It is not in anyone's interest that anyone else in the industry is selling defective products. The customer doesn't want warnings or advice. They want what they thought they paid for.

So as I wasn't saying are we becoming serial warners? Are we adding another few pages on to everything just to be on the safe side. Have we got into a "The longer the document. The better it is" mentality. Now I don't want to appear too nostalgic for the past, but I remember the Halifax Building Society as it was then was reviewing every single piece of documentation it produced, so as to cut it down to the absolute minimum. They pruned the mortgage offer down to 2 pages, the mortgage instructions were the same, they reduced the mortgage to a single two page piece of A4 and they got the report on title down to a single sheet. As we know one of the greatest advances of the last few years is that the mortgage offer for example has now gone up from 2 pages then to up to 12 pages now and this of course helps the customer to understand things so much better.

To show that I don't treat these speeches just as a way to string together a few cheap laughs for your benefit as a piece of original research, we at Moneyfacts have counted up the number of sheets of paper a customer may actually receive in the normal course of taking out a mortgage. Obviously it depends on each borrower's exact circumstance, which provider they use, what additional products they take, whether they go direct or through an intermediary. But you can reckon that in total it could come to a bit over 200 pages of A4. Now obviously that's just for the mortgage it doesn't include anything to do with the property purchase itself such as agents particulars, survey reports, solicitor's correspondence, copy contracts, deeds, leases, property information forms or Home Information Packs when they come in. If you did include these it would increase the figure to well over 300 pages in the case of simple freeholds with no problems, or 350 pages in the case of more complicated freehold purchases particularly new estates. And that could go up to around 450 pages or about five pounds in weight. In the case of leaseholds obviously those figures don't include anything to do with any property the customer is selling or anything to do with such things as removers, utilities or changes of address. Is it any wonder that the largest paper company in the Country is based in Barking. Actually that isn't true...That bit about Barking.....I made it up. I just thought that if I didn't try to get a laugh in quick we'd all start losing the will to live.

I came across an interesting statistic recently 15% of the UK adult population is illiterate. A further 10% have some form of reading difficulties. Putting that the other way round. This means that only 75% of the UK population can read and write sufficiently well to even start to read all the stuff we send them. Another fascinating statistic is that about the same percentage – just under 75% - own their own home. We must hope to God that it's the same 75%.

And then I started thinking when did all this change. Up to say 25 years ago the length of documents was under reasonable control when everything had to be typed out by Thelma, Sandra or Elaine in the typing pool on a manual typewriter using carbon paper to produce the file copy. There wasn't much chance of persuading them to produce 5 page documents let alone 50 page ones. Then as some of you may remember in the 1980's the first salesman started coming round trying to sell these wonderful machines that were going to save time and paper and slash costs. It started with Word Processors and then moved on to the PC. Never again they told us would we ever have to retype a document. You simply corrected it on screen. It would save vast amounts of paper and the same document would only take half the time to produce. Did they mention anywhere that all this kit would have to be replaced every 3 years. Did they say that the average pencil on your desk will last longer than your PC. Did they say anything about needing an IT Department. Great guys, would miss them awfully, chance would be a fine thing. Did they say anything about crashes and viruses and rebooting. Did they say that they would be leaving the design of the software to adolescent youths at Microsoft who take their kicks from including passwords and log-ins and who require every instruction to be clicked on then verified and then okayed. And then it tells you you've undertaken an illegal operation or instructs you to retry. And who was the clever little darling who thought the right word to put on the off button was the word Start! And how were you expected to know that when they tell you to press the Refresh button they actually mean a button marked F5.

And then there were all those Millennium Bug Consultants. Those earnest and we thought concerned and genuine people who warned us of the dire consequences if we didn't prepare for it. Who made us appoint Year 2K officers, and made us bring our staff in on a Saturday at the end of 1999 to simulate the date change, and made us replace half our computer kit and suggested we install chemical toilets just to be on the safe side. I was on a ship on the Thames on the Millennium night moored more or less on the Greenwich Meridian. On the stroke of midnight everyone else on board was toasting each other, drinking champagne, hugging and kissing and shouting Happy New Year, and I was the sad git looking up at the nearest office blocks which happened to be at Canary Wharf to check that all their lights had stayed on.

If you remember some companies even sent people to New Zealand to be down there at midnight on the Millennium so they could give Head Office 12 hours prior warning of any problems. The Italians on the other hand when asked what they were doing about the millennium bug said they planned to come in half an hour early so there was time to sort out any problems before work started.

Going back to computer salesmen did they tell us that normal letters would go up from less than one page to three or four, that Application forms would be 18 pages or more, that leases would go up from 5 pages to 100, that mortgage offers would go up from 2 pages to 12 and that contracts would be over 40 pages. And did they tell us that it was going to be us who'd have to read all this stuff because as sure as eggs is eggs the people sending them out aren't. And let's not forget the 8,000 page FSA Rule book or the fact that Tolley's Tax Guide has gone up by 4,500 pages in the last 8 years. In fairness that's mainly due to Gordon Brown but the point is that it is computers that have enabled him to do it.

Now I know we can't put the clock back. I know IT has produced lots of benefits. Although I can't think of many of them at the moment but I do leave you with this thought. Just because we now have the technology to produce 400 page reports, 8,000 page Rule books, 18 page application forms, 12 page Key Facts Documents, 40 page contracts and 12 page Mortgage Offers. And stick warnings everywhere doesn't mean we have to. Because if we do go on as we are we mustn't be surprised if in its next report the Inter Planetary Regulator. Known affectionately throughout the Galaxy as Offplan. May summarise us in one short sentence

Warning

May contain nuts