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Mobility Aids: An OFT Market Study  
Progress Update: Emerging Key Findings  
And Invitation To Contribute

26 May 2011

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## 1 INTRODUCTION

- 1.1 The Office of Fair Trading (OFT) is conducting a market study into mobility aids in order to examine whether the market(s) in the sector are working well for consumers and, if not, what can be done to improve how they function.<sup>1</sup>
- 1.2 Following a consultation on its proposed scope,<sup>2</sup> in February 2011 the OFT launched the market study into the UK sector for wheelchairs, scooters, stair lifts, bath aids, hoists, adjustable beds and specialist seating.<sup>3</sup> The study is examining the following issues:

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<sup>1</sup> Further details about the OFT's approach to market studies can be found in the OFT's publication 'Market Studies: Guidance on the OFT approach' which is available at: [www.offt.gov.uk/shared\\_offt/business\\_leaflets/enterprise\\_act/oft519.pdf](http://www.offt.gov.uk/shared_offt/business_leaflets/enterprise_act/oft519.pdf)

<sup>2</sup> Further details can be found in the OFT document entitled 'Proposed market study into mobility aids: Proposed Statement of Scope' which is available at: [www.offt.gov.uk/shared\\_offt/market-studies/Mobility-aids-scoping.pdf](http://www.offt.gov.uk/shared_offt/market-studies/Mobility-aids-scoping.pdf)

<sup>3</sup> Please see the OFT's Statement of Scope and Invitation to Contribute which is available at: [www.offt.gov.uk/OFTwork/markets-work/current/mobility-aids/](http://www.offt.gov.uk/OFTwork/markets-work/current/mobility-aids/)

- whether consumers have access to the right information to enable them to make informed choices and to drive vigorous competition amongst firms
- whether consumers are able to assess and act on the information provided so as to make informed choices and to drive vigorous competition amongst firms
- whether consumers are treated fairly, and if not, what can best be done to address any unfairness, and
- whether competition in the supply of wheelchairs in the UK is working well for consumers.

### **Purpose of this document and next steps**

- 1.3 The OFT wishes to work constructively and transparently with interested parties during the market study. The purpose of this document is to provide an update on progress, and to invite interested parties to contribute further to the study in the light of our emerging key findings.
- 1.4 The emerging key findings, as summarised in this document, are based on the information the OFT has received to date from a wide range of interested parties in response to its initial consultation, the published Statement of Scope and Invitation to Contribute and follow-on information requests. Such parties include consumer bodies, charities, industry, public sector purchasers and local authority Trading Standards Services (TSS). In addition, the OFT commissioned consumer research to understand the purchasing experiences of users/purchasers of mobility aids covered by our study.
- 1.5 It is important to note the provisional nature of the emerging key findings summarised in this document. The OFT intends to conclude its fact-finding and evidence-gathering by mid-June 2011 and has not at this stage reached any final conclusions. Interested parties are invited to submit information supported by evidence, if possible, by **Friday 17 June 2011** in order for the OFT to conclude its examination of whether consumer and/or competition concerns are present in the mobility aids

sector and if so, what might be the most appropriate measures to address them.

- 1.6 Our current intention is to publish our report on the market study in September 2011.

### **Contacting the OFT**

- 1.7 Anyone wishing to submit further information and supporting evidence should contact the Mobility Aids market study team by email at [mobilityaids@oft.gsi.gov.uk](mailto:mobilityaids@oft.gsi.gov.uk), or in writing at:

Mobility Aids Team  
Goods and Consumer Group  
Office of Fair Trading  
Fleetbank House  
Salisbury Square  
London EC4Y 8JX

- 1.8 The Team Leader, Maria Rican, can be contacted on 020 7211 5895. The Project Director, Louis Christofides, can be contacted on 020 7211 8935.

## 2 SUMMARY OF EMERGING KEY FINDINGS

### Access to the right information

- 2.1 We commissioned consumer research<sup>4</sup> in order to examine whether consumers have access to the right information to enable them to make informed choices on mobility aids that meet their needs and means and to drive vigorous competition amongst firms.
- 2.2 Emerging key findings based on the results of our consumer research are as follows:
- **The majority of consumers reported that they did not have problems accessing information** on price, functionality and quality through the sales channels they used, namely the internet, retailers and manufacturers. We are planning to conduct in order to assess whether the quality of the information consumers received was the right information to enable them to make an informed choice. However, one area where consumers reported that they would have benefited from more information was the whole-life costs of owning and operating certain mobility aids.<sup>5</sup>
  - However, **a significant proportion of consumers reported that they did not shop around** in order to obtain and compare information on the various options/prices available to them.
  - **A small proportion of consumers were unable to obtain price information upfront, even when they specifically asked for such information.** Of those consumers, a large proportion had purchased

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<sup>4</sup> The research comprises a telephone survey of 500 users/purchasers of mobility aids, and 25 in-depth one-to-one interviews.

<sup>5</sup> For example, the whole-life costs of operating mobility aids would include the cost of necessary repairs, maintenance and replacement of **parts**.

a mobility aid from a 'doorstep' trader.<sup>6</sup> Those consumers often used this sales channel as they did not have access to the internet and/or because they were unable to visit retail shops due to poor mobility. They were only informed of the price once the trader had visited them in their home. It is also relevant to note that upfront price access concerns were not confined to 'doorstep' sales - some consumers who searched for a mobility aid online also reported problems obtaining price information in the sense that the website in question required them to submit their contact details in order to provide a quote.

- 2.3 Purchases of mobility aids tend to be infrequent, and the emerging key findings from the consumer research suggest that a number of consumers are unaware of the price they should expect to pay for a mobility aid. Where, in addition, they are not provided with price information upfront and/ or do not have access to alternative sources of good information, that can hamper their ability to shop around before making a purchase. In these circumstances, there is a significant risk that consumers may be over-charged.
- 2.4 Based on the information received to date, it would appear that greater transparency of prices, including information on the costs of operating certain mobility aids and prices being made available upfront, particularly when selling at the 'doorstep', is needed.
- 2.5 The OFT is inviting interested parties to submit any further information supported by evidence, if possible, in response to our provisional findings on whether consumers have access to the right information to enable them to make informed choices on mobility aids that meet their needs and means and to drive vigorous competition amongst firms.

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<sup>6</sup> Throughout this document we use the terms 'doorstep' trader or 'doorstep' selling in relation to sales visits to the consumer's home or doorstep, including both solicited and unsolicited sales visits.

## **Ability to assess and act on information**

- 2.6 The consumer research was also conducted to enable us to examine whether consumers are able to assess and act on information provided to them, so as to enable them to make informed choices on mobility aids that meet their needs and means and to drive vigorous competition amongst firms.
- 2.7 Emerging key findings based on the results of our consumer research are as follows:
- **The majority of consumers did not report difficulties assessing the information provided to them.** However, at the same time it was instructive to note that a **significant proportion of consumers did not seek to compare different brands/models, or to compare products of a high/lower specification in order to assess the various options available to them.** It is questionable, therefore, whether their assessment of the information they were provided enabled them to conduct a meaningful evaluation of whether there may be better or cheaper options available to them.
  - Consumers who did seek to compare the various offers available reported difficulties in making meaningful comparative assessments where there was a limited choice of products that met their needs and/or a great divergence of prices. (We note, for example, that prices for an adjustable bed can vary between under £1,000 to over £3,000; and that the price for a scooter can vary between under £500 to over £3,000).
  - **A small proportion of consumers were provided information which turned out to be inaccurate** and which may have prevented them from making an informed decision. For example, receiving inaccurate information on product features or whether the product was new or second-hand.
- 2.8 Based on the information received to date, it would appear that most consumers consider that they do not have problems assessing and acting

on the information provided to them. However, that information does not appear to be utilised effectively in order to enable consumers to conduct a meaningful evaluation of the offers available to them, and to drive vigorous competition amongst firms.

- 2.9 The OFT is inviting interested parties to submit any further information supported by evidence, if possible, in response to our provisional findings on whether consumers are able to assess and act on the information provided so as to make informed choices and to drive vigorous competition amongst firms.

### **Consumers being treated fairly**

- 2.10 Our emerging key findings on whether consumers are being treated fairly are based on our consumer research, the complaints made to Consumer Direct<sup>7</sup> and information received from interested parties, including TSS. Emerging key findings based on the information received to date are as follows:

- In recent years, Consumer Direct has received over 4,000 complaints or requests for advice concerning mobility aids each year. The majority of complaints relate to defective goods and the quality of service provided to consumers.
- However, **a significant proportion of complaints about misleading or unfair sales tactics were made by consumers who purchased their mobility aid from a trader who visited them in their home** (either as a result of an 'invited' (solicited) visit or a cold-call (unsolicited visit)). It is instructive to note that although our consumer research suggests that doorstep sales account for approximately five per cent of sales, they generate the largest number of complaints for

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<sup>7</sup> Consumer Direct is the government-funded, OFT-managed telephone and online service offering information and advice on consumer issues:  
[www.direct.gov.uk/en/DI1/Directories/UsefulContactsByCategory/Governmentcitizensandrightsc ontacts/DG\\_195948](http://www.direct.gov.uk/en/DI1/Directories/UsefulContactsByCategory/Governmentcitizensandrightsc ontacts/DG_195948)

an individual category (approximately 30-50 per cent, depending on the type of complaint), when compared to other sales channels.<sup>8</sup> Complaints to Consumer Direct made by consumers who purchased their mobility aid from a trader who visited them in their home included complaints on:

- High pressure sales tactics. For example, consumers reported that the trader's sales visit lasted several hours.
- Deceptive or misleading sales techniques. For example, consumers reported having been misled about the nature of the visit. Some consumers reported that the trader misrepresented that he was acting on behalf of Social Services. Other consumers were given the impression that they were being asked to help with a survey.
- A number of TSSs raised concerns that deceptive or misleading sales tactics are being used by traders in order to target elderly and vulnerable consumers, particularly when being visited in their home. TSS also raised concerns that varying techniques are applied depending on whether the end-user was alone or accompanied by a relative or carer.
- Our initial analysis of the price data available in the Consumer Direct database suggests that consumers who buy at the doorstep are paying significantly more than those making a purchase through other sales channels. For example, the data suggests that consumers paid £500 more than the median price when buying a mobility scooter at the doorstep, which represents a premium of approximately 50 per cent. In addition, consumers paid £700-£1,000 more than the median price when buying an adjustable bed

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<sup>8</sup> By way of example and by reference to complaints relating to misleading information or misleading omissions, approximately 35 per cent of complaints to Consumer Direct concerned doorstep sales, approximately 25 per cent concerned retail sales and approximately 40 per cent concerned all other sales channels including telephone sales and internet sales.



at the doorstep, which represents a premium of approximately 40-100 per cent. We would welcome further information from consumers on the prices they paid for mobility aids in the last three years, providing in addition the make, model and which sales channel they used.

- These differences in price may, in part, be due to additional costs incurred when making a doorstep visit. However, the differences in price may, in part, also be due to the factors described earlier in this document: lack of upfront price information when purchasing at the doorstep, lack of awareness of average prices, and difficulties accessing other sales channels. High pressure sales tactics and misleading sales tactics are also likely to contribute to the higher prices paid by consumers when sold to in the home.

2.11 Based on the information received to date, it would appear that there are potentially significant problems in relation to 'doorstep' sales in this sector, and improving 'doorstep' sales practices would prevent significant consumer harm.

2.12 The OFT intends to work in partnership with TSS on these issues, and an OFT-TSS Working Group has been established in order to share best practice and shape solutions to concerns identified as part of this market study.

2.13 In addition, the OFT is actively looking at individual cases which may result in proceedings being brought in the civil courts.

2.14 The OFT is inviting interested parties to submit any further information supported by evidence, if possible, in response to our provisional findings on whether consumers are being treated fairly.

### **Whether competition in the wheelchair sector is working well for consumers**

2.15 We are also examining whether competition in the supply of wheelchairs in the UK is working well for consumers.

2.16 We have received information from the industry, as well as purchasers of mobility aids in the public and private sector, and we have also conducted desktop research. Emerging key findings based on the information obtained are as follows:

- **The majority of the supply of wheelchairs in the UK is to the public sector.**<sup>9</sup> Supplies are also made to the private sector such that consumers can also purchase wheelchairs directly from retailers (in general, manufacturers of wheelchairs do not supply direct to consumers). There is a lack of publicly available information on the volume or value of sales of wheelchairs made to the public sector, to the private sector, or the volume or value of purchases from private sector suppliers in the UK. While our research to date has provided us with some estimates, we would welcome further information.
- **Suppliers reported that the cost of bidding for public contracts is not high** (such as might discourage firms from bidding), however public sector purchasers repeatedly select the same firm(s) in a series of tenders.
- **Supply to the public sector is highly concentrated with the two largest suppliers accounting for a high proportion of sales.** This is reported to be primarily due to a combination of factors.<sup>10</sup> Suppliers

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<sup>9</sup> That is, local Wheelchair Services/PCTs and it may also include other local public services such as local education authorities and social services.

<sup>10</sup> These include factors such as: historic custom and practice; incumbency advantages due to strong and well-established relationships between the larger incumbent suppliers and public purchasers; broad public purchaser satisfaction with, and confidence in, the ability of larger incumbent suppliers to offer a good price and service quality; and public purchasers' existing stocks of spare parts and accessories relating to wheelchair models provided by incumbent suppliers. There may also be challenges associated with communication links between suppliers, purchasers and clinicians, who produce specifications. Such challenges may affect clinicians' awareness of new product offerings across the market and, in turn, affect the ability of public purchasers to obtain the best products at competitive prices.

generally consider that public purchaser practices present a barrier to expansion in the wheelchair sector.

- **However, there are several suppliers who compete with the two largest suppliers.** These competitors, which include companies that have sizeable market shares in other EU countries, reported that they are able to act as a competitive constraint on the behaviour of the two largest suppliers in the UK.
- **Existing suppliers do not consider that supply to the public sector is necessary** in order to enter and operate as a supplier in the wheelchair sector. This has been supported by examples cited of new entrants who have not achieved significant sales to the public sector.
- Public purchasers, who account for the largest proportion of purchasers in the UK market, have reported that suppliers' ability to offer a large range of products, high service levels and low prices are important factors when selecting suppliers of wheelchairs. In addition, suppliers considered that significant investment costs are required to meet those requirements. However, sales volumes in the UK market alone make it difficult to offer the prices and product offerings necessary to compete for significant NHS contracts. To grow market share significantly, suppliers therefore considered it important to supply multiple geographic regions, for example, by having a pan-European presence to benefit from economies of scale.
- **Manufacturers and distributors/retailers reported that distributors/retailers are free to set their prices independently.** We have no evidence to suggest that there are restrictions on price competition. We note, however, that when preparing quotes for a customer, some retailers use order forms incorporating detailed list prices provided by the manufacturers, which may discourage discounting. We would welcome any further information on the availability of discounts to consumers when making private sector purchases of wheelchairs from retailers.

- **Manufacturers reported that they do not operate exclusivity arrangements with their distributors/retailers** whereby the manufacturer would only appoint one distributor/retailer for a particular area to sell its products. However, one of the manufacturer's practice is not to supply new distributors/retailers in an area that is already served by an existing distributor/retailer. Manufacturers also reported that they do not operate exclusivity arrangements with their distributors/retailers whereby a distributor/retailer would only stock that manufacturer's product. Consequently, distributors/retailers stock a range of different suppliers' products to meet the specific needs of a customer. We have no evidence to suggest that there is a lack of wholesale/retail competition in the UK. We would welcome any further information that interested parties may wish to submit on this.
- **Interested parties, including manufacturers and public purchasers, broadly considered that public purchasers obtain good value for money on initial purchase of standard wheelchairs. However, it is not clear that public purchasers obtain value for money across the whole lifetime of the equipment they purchase.** A large proportion of Wheelchair Services' costs are attributed to 'secondary markets' for refurbishment, repairs, maintenance, spare parts and accessories. Some interested parties have expressed concerns that prices for these products and services appear relatively very high. Suppliers also reported that the supply of standard or basic wheelchairs to public purchasers was not profitable and that they made much greater returns in the secondary markets. There was also concern that limited compatibility between brands combined with pre-existing purchases of spare parts for some brands had the effect of tying purchasers in to continuing to buy from a specific supplier in the secondary market, in which some interested parties considered that prices were very high. An additional factor which may exacerbate this is that public purchasers noted that they had limited access to data and information which would enable them effectively to evaluate and predict whole-life costs and hence value for money in the long term.

- **Suppliers have introduced a number of new and innovative products in the last five years, but there has been limited uptake by public purchasers,** although there is increasing demand from users.<sup>11</sup> Reasons for this include: public sector budget constraints; low prices of basic models; contract specifications being modelled on historic demand; and the cost-benefits of purchasing and maintaining a 'fleet' of basic models.
- The NHS has engaged in a number of recent initiatives designed to look into improving patient choice and public purchasers' ability to achieve best value for money, and the OFT's findings can inform further such initiatives.

2.17 Based on the information received to date, it would appear that the market for the supply of wheelchairs to the public sector in the UK is highly concentrated. However, it appears that several suppliers are able to act as a competitive constraint on the behaviour of the two largest suppliers in the UK. In addition, the OFT has not so far received information or evidence of restrictive agreements or practices between firms.

2.18 There are factors relating to purchasing behaviour which may reinforce barriers to entry or expansion and which may increase the challenges faced by public purchasers in obtaining value for money over the lifetime of the equipment purchased, including ancillary or secondary products and services. Such factors may include in particular: degrees of inertia on the part of purchasers and prescribers; and limited access to, or capture of, reliable and consistent data from which to predict and evaluate whole-life cost and hence value for money. The OFT notes, however, that there are several recent and current local and central NHS initiatives designed to improve the provision of Wheelchair Services.

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<sup>11</sup> However, the NHS does meet users' clinical needs even where they are complex and may often achieve this through use of products with modular design and/or adaptations to existing standard equipment.

2.19 The OFT is inviting interested parties to submit any further information supported by evidence, if possible, on the presence and extent of these factors, in particular in relation to barriers to entry or expansion and the ability of purchasers to achieve whole-life value for money; and more generally in relation to conduct which may prevent, restrict or distort competition in the wheelchairs supply market.<sup>12</sup>

### **Contacting the OFT**

2.20 Anyone wishing to provide information on the issues above, with supporting evidence, if possible, should contact the Mobility Aids market study team by **Friday 17 June 2011** in order for the OFT to conclude its examination of whether consumer and/or competition concerns are present in the mobility aids sector and if so, what might be the most appropriate measures to address them.

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<sup>12</sup> As the response rate to our information requests to public purchasers has been relatively low, we would particularly welcome further information from public purchasers in England, Scotland, Wales and Northern Ireland.