

Answers to questions

1. Research continually shows that usage of collaborative economy platforms is most used by young, tech savvy adults in urban areas. What are the opportunities to expand engagement in ways that could have positive benefits for a wider section of the population?

Companies with a requirement to generate revenues are likely to focus initial marketing efforts on early adopting groups like young, tech savvy adults in urban areas but of course once a digital platform is made public, it is available to all sections of the population. SEUK can help organisations adopt best practise and work with less well served people, providing positive benefits for a wider section of the population. Our members are mixed in business type and operations, including third sector organisations whose primary target markets are groups other than millennials, and have a range of experience and networks which they can share with others. External partners we work with such as Warwick Business School have also produced research on users in the industry and barriers to adoption across demographics, and are doing further work in this area in collaboration with SEUK. We recommended in the SEUK Budget submission that government should set out how small employers can gain access to programmes through the apprenticeship levy policy, as the skills system should produce people with the right talent for businesses to thrive in the modern economy and digital skills are a vital part of this. Digital inclusion programmes the government invests in should incorporate training for participants in how to use online platforms and participate in the sharing economy, and connect private sector skills to sharing economy businesses.

2. What are the best mechanisms for building trust and protecting consumers within the collaborative economy?

A common challenge in the sharing economy is building trust. The increasing demand and popularity of the industry shows that people value their services and have faith that they can use them safely, but for the sharing economy to reach its full potential trust must continue to be built amongst consumers. That is why Sharing Economy UK launched the TrustSeal in July 2016 which is an independently awarded kitemark, given to sharing economy companies that can show they uphold good practice principles such as transparent communications, appropriate health and safety guidance, ID verification and peer reviews. It was developed with the support from experts from Oxford University Said Business School and PwC and involves a rigorous application process scrutinised by an independent advisory panel made up of recognised authorities in the areas of security, insurance, governance and communications. TrustSeal is a world first – it is at the start of its life and our ambition is to evolve it and establish it as a key mark that consumers look for when interacting with sharing economy businesses.

Eight sharing economy businesses have been awarded the TrustSeal so far, they are: Airbnb, UnderTheDoormat, TrustedHousesitters, GrubClub, HiyaCar, LiftShare, MyShowcase, and StubHub.

Expert panel members

- Rachel Botsman (Sharing economy expert)
- Graeme Trudgill (Executive Director of British Insurance Brokers' Association)

- Alison Hastings (former BBC Trustee and Chair of Editorial Standards Committee)
- Trevor Pearce (former Director General of the Serious Organised Crime Agency)
- Mark Gallagher (Founding Partner of PageField Communications and former Executive Director of ITN, Camelot and ITV).

3. Statistics show that just 43 per cent of Scottish consumers know how to make an official complaint if they had an issue with poor service whilst using a collaborative economy platform. How can we best ensure that redress is available if something goes wrong and consumers are clear how to access it?

We have built this into the TrustSeal principles around transparent communications – there must be a transparent policy for refunds and failure to deliver a service. Just having a process alone is necessary but not sufficient so TrustSeal principles highlight the importance of communication as well. We are exploring whether to add training support for platform participants as a principle in the future.

5. What should the thresholds be to define the differences between someone who is an occasional provider versus an established business?

Our view is that it is difficult to establish hard and fast rules on this, and that they may not be that useful. The question of full time vs part time usage could potentially be established by looking at the proportion of time spent by a participant, the proportion of their income generated from the activity and whether the asset being shared was acquired for the specific purpose of being offered on a sharing platform or is in effect being shared during times it is not being used for its 'primary' purpose. However, we believe that it is reasonable to expect that all platform participants will demonstrate a good degree of proficiency and courtesy in their dealings with other participants and so the distinction between the occasional and professional user may not be that helpful.

6. How can we best ensure that new & existing providers of services and assets through collaborative platforms are aware of their legal obligations or regulations they must adhere to?

Starting in November this year we will be running a series of workshops around the key principles for sharing economy businesses, including one to cover legal aspects. Our members' platforms cover a range of different assets and the relevant laws will differ somewhat between sectors. We will promote the workshops to members and non-members such as new and existing collaborative platform providers. Signposting may help raise awareness of legal obligations, and we believe regulation should be as simple as possible. As well as the workshops, Sharing Economy UK has networking opportunities to encourage the sharing of best practise.

7. What role does self-regulation via ratings systems or accreditation systems such as TrustSeal play within the collaborative economy? What evidence is there to show its efficacy?

Our members work hard to adhere to current regulations, and sharing economy businesses are no different to those in other sectors who have to abide by and adjust to changing regulations. The TrustSeal is a voluntary form of self-regulation and the idea is to encourage companies to understand and adhere to a certain set of principles that can act as a form of osmosis, not just for that company but for the sector. It is too early to speak about the efficacy of TrustSeal but we think

it is a useful process and applicants have provided feedback that the process has been helpful. A voluntary business led approach is a better way of ensuring legislation works in the sharing economy because the industry is entrepreneurial, nascent and full of start-up activity so needs flexibility.

8. Have you seen a rise of businesses expanding on making better use of their idle assets and making them available in business to business relationships?

It is difficult to pick up a trend, we have not seen a rise in our membership base of these types of businesses and there are more general problems in measuring what is happening in the sector - although ONS are trying, official measurement and statistics are in their early stages.

9. What are the opportunities and activities that could encourage development of socially inclusive & economically successful collaborative economy platforms?

Tax breaks such as the trading and property allowances announced at Budget 2016 will help make the sharing economy more mainstream by incentivising individuals and micro-entrepreneurs to provide goods, services, property or other assets online and earn extra occasional income by doing so. As well as the breaks, digital technology could be used to help make it easier for platform users to understand their liabilities and pay the right amount of tax. Open systems like access to government ID verification databases could broaden involvement. Awareness campaigns can help spread best practice, and research into the sector will help provide insight into how people are using platforms. Digital skills are another opportunity, for example helping smaller employers get access to programmes like the apprenticeship levy policy which encourages employers to invest in high-quality apprenticeships to support the creation of digital skills. This gives more people the chance to reach their full potential, whilst helping employers and learners get the skills they need. Government should also consider exploring whether there are regulatory barriers that prevent more people from sharing assets, skills, etc.