

CARE HOMES

Rip-off fees for residents to end

By Katie Morley Consumer Affairs Editor

CARE home residents are set to be spared rip-off administration fees as regulators have ruled that a major provider charging people £3,000 each must repay them.

The Competition and Markets Authority has told Care UK, one of the country's largest care home providers, that it must refund more than 1,600 residents who were charged a compulsory upfront "administration" fee of as much as £3,000.

The CMA believes Care UK was breaking the law by requiring a substantial non-refundable administration fee from residents for which they received no services or products in return.

1,600

Number of residents the regulator says must be refunded by Care UK for up-front 'administration' fees of as much as £3,000

It also believes that the company's description of the charge, and what it was for, were misleading, adding that residents were told about it very late in the admission process.

If Care UK refuses to comply with the CMA's demands, it will face legal action.

It comes as part of the CMA's ongoing investigation, launched in 2017, into a number of care homes over concerns that some of their contract terms could breach consumer protection law.

Care UK has stopped charging the fee, but it is understood that the CMA has discovered other companies with similar charging structures and will take action if it finds they are unfair.

Alex Hayman, Which? managing director of public markets, said: "We've heard from hundreds of residents and their families about the difficulties they have experienced when dealing with care homes, including being charged excessive up-front fees just for moving in. While no amount of money can make up for the stress and hardship some families may have

suffered as a result of unfair fees, Care UK should now act swiftly to refund those affected, to avoid causing them further anxiety.”

Mr Hayman continued: “All care home providers must scrap these excessive charges and implement the regulator’s recent consumer law advice to ensure that older people and their families can make informed choices and are not hit with unfair fees or contract terms.”