



Annual Activity Report for Ombudsman Services: **Communications**



In June 2015 Ombudsman Services: Communications (OS:C) was approved by Ofcom to provide alternative dispute resolution under the Alternative Dispute Resolution for Consumer Disputes [Competent Authorities and Information] Regulations 2015 [the Regulations]. Services/products that fall within the jurisdiction of OS:C include those provided to domestic and/or small business customers which fall within the scope of “electronic communications services” as defined under Section 32(2) of the Communications Act 2003. As part of Ofcom’s approval, under Schedule 5 of the Regulations, OS:C is required to produce an annual activity report which contains the information below:

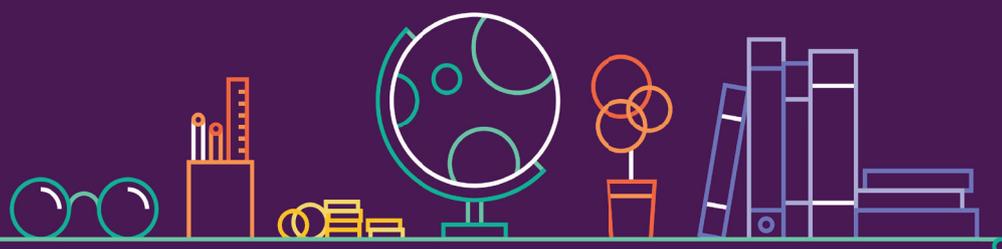
a) The number of domestic disputes and cross-border disputes the ADR entity has received

OS:C received 45,078 disputes during the reporting period. A dispute is defined as a request from a complainant notifying OS:C of an unresolved complaint for investigation. Of these cases 20,426 fell within scope of what OS:C can deal with. None of the total cases received related to Cross Border disputes.

b) The types of complaints to which the domestic disputes and cross-border disputes relate

The following tables set out the types of domestic and cross-border disputes that were referred to OS:C within the reporting period which came within the scope of what OS:C can deal with.

Non-Cross Border Complaints	
Complaint Type	Number of cases
Billing	6388
Service Quality	5353
Customer Service	1700
Contract Issues	2667
Mis-sell	2035
Equipment	1147
Security	774
Unknown	281
Other	81
Grand total	20426



c) A description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity

A wide range of scenarios occur in the sector that result in disputes about charges, payments and debt accrual. Traders are quick to record adverse payment markers against consumers when payments are late, incomplete or missing. However, the application of these markers takes place with little consideration to the contributing factors for the underlying payment issue. Traders can often be part of the problem where billing mistakes are made, communication is lacking or unclear and where cancellation processes fail. When the trader has had a clear part to play in payments not being received, consideration should be given to whether it is appropriate or fair to record an adverse payment marker. Consideration should be in-line with the Steering Committee on Reciprocity (SCOR) Principles for the Reporting of Arrears, Arrangements and Defaults at Credit Reference Agencies. Of particular importance is that communication is clear where a default marker is intended to be recorded.

Many contracts within the sector do not fall within the definition of a Consumer Credit Agreement (CCA). CCA's require prior written notification before a default is applied. This ensures the consumer is aware of the intended action and consequences of non-payment. The same does not apply outside of a CCA. OS:C regularly sees disputes where the consumer was not aware that a default had been applied. This can have a significantly detrimental impact on the consumer. When prior notice of a default is communicated clearly, this acts as a call to action for the individual, given the implications of the debt remaining unpaid.

d) Any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices

Traders should regularly review their processes relating to the application of adverse payment markers on customer accounts. This information must be recorded fairly and in line with the SCOR principles.

In addition, traders should ensure consumers receive timely communication that clearly identifies when a default is about to be recorded. The consequences of not providing payment, and action the consumer must take to avoid the default, should be prominently displayed in this communication.

e) The number of disputes which the ADR entity has refused to deal with and upon what grounds

The number of disputes which OS:C has refused to deal with during the reporting period was 8,737. The percentage breakdown of the reasons for refusal is given below.



Reason for refusal	Percentage of cases
(a) Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader	99.12 %
(b) The dispute is frivolous or vexatious.	0.45 %
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	0.26 %
(d) The value of the claim falls below or above the monetary thresholds you have set.	0.00 %
(e) The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than 12 Months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.	0.00 %
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0.17 %

f) The percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation

The number of complaints that were discontinued by OS:C during the reporting period for operational reasons was 15,915. This represents 35% of the total amount of disputes received.

The table below is the percentage breakdown of the reasons for the discontinuation:

Reason for refusal	Percentage of cases
The subject matter of the dispute did not fall within the scope of what OS; Communications can consider under its scheme rules	2.78 %
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	96.59 %
The trader that the consumer is complaining about was not registered with OS as its ADR entity	0.18 %
The consumer was not a 'customer' of the trader	0.45 %



g) The average time taken to resolve domestic disputes and cross-border disputes;

The average time taken to resolve a domestic dispute is 48 days. No cross-border disputes were received.

h) The rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures;

In the reporting period 88.5% of remedies were implemented within 28 days and 3.4% implemented outside of 28 days. Of the total confirmed remedies 8% remain unimplemented after 28 days.

OS:C follows a process to pursue traders who fail to implement a binding decision within the required timeframe. OS:C will report a trader to the regulator for sustained failure to implement binding decisions within the required timeframes. OS:C will also consider the membership status of participating companies who fail to comply with binding decisions, with a view to terminating that membership.

i) The co-operation if any, of the ADR entity within any network of ADR entities which facilitates the resolution of cross-border disputes

OS:C has not investigated any cross-border disputes during the reporting period. OS:C is a member of the Telecoms-Net group of European ADR entities. The group shares best practice relating to ADR in the sector.

