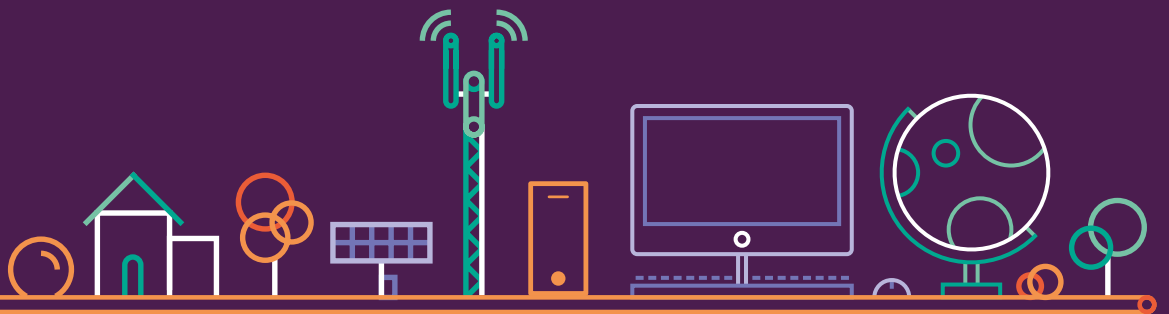


Communications Sector Report





Communications Sector Report

January - December 2018



Welcome

2018 has been a year of significant transformation for Ombudsman Services with the transition to a new case management system, the launch of a new website and brand and Matthew Vickers appointed as Chief Ombudsman and Chief Executive. These developments mean that we can offer an enhanced service to consumers and participating companies, adding value to our customers and ensuring that our operation remains responsive and fit for the future. As a business, we've faced financial challenges, largely as a result of eight energy companies entering administration in 2018 and increasing our exposure to bad debt. To accommodate a changing market, we've made a number of operational and structural changes to create a lower-cost, lower-overhead business.

In 2019, there are a number of broad challenges and opportunities facing Ombudsman Services. While providing alternative dispute resolution (ADR) is central to our role, achieving our mission to end consumer detriment requires a more strategic approach. As we look to the future, our priorities will centre around: quality, with a 'Back to Basics' approach; modifications and enhancements to our case management system; an increased focus on relationships with our business partners and within the wider industry; structure and engagement, with further organisational changes to reflect transformational plans; and reporting, with data at the heart of our strategy to provide actionable insights to our business partners and other industry stakeholders.

Consumer Action Monitor

Our annual Consumer Action Monitor was published in March 2018. Findings show that consumers are increasingly frustrated with poor service and unmet expectations and that this is leading to disengaged customers. Trust in businesses has fallen with customer service being a major cause.

2018 marks the publication of our fifth annual Consumer Action Monitor. Over these five years, we've identified emerging trends that have afforded us the opportunity to learn today to empower tomorrow. We strongly believe that asking the right questions and challenging assumptions is what enables us to provide meaningful insight which can help businesses build stronger consumer relationships.

To read the
2018 Consumer Action Monitor,
[click here](#)



To read the
Annual report 2018,
which provides
a fuller overview
of 2018 and
our financial
statements,
[click here](#)



Recognising complaints

Our experience and feedback from participating companies is that it's not always easy to recognise when a customer is dissatisfied to the point of wishing to escalate a complaint. To increase awareness of a complainant's right to alternative dispute resolution (ADR) and to help participating companies handle complaints more effectively, we've issued best practice guidance. This includes a guide to how providers can recognise when a complaint has been made and guidance on wording for letters relating to ADR.

Events

In October 2018, Ofcom introduced new rules requiring communications providers to publish policies and procedures setting out how they would offer services to customers in vulnerable circumstances. Ahead of this development, we devoted one of our sector liaison panels (SLP) to the subject. Following the SLP, providers asked if we could do more to help them develop their policies and in response we set up a new event.

We now invite providers to our office for quarterly workshops to discuss aspects of vulnerability. We encourage providers to share their experiences and best practice in order to generate new ideas and a consistent approach.

It's come to our attention that some smaller communications providers struggle to understand and work to their regulatory obligations. To help support these providers, we ran an event specifically to address barriers and issues. This is another example of where Ombudsman Services has been able to add real value for its participating companies.

Changes to the General Conditions of Entitlement

Changes to the General Conditions of Entitlement came into effect in October 2018. We ran an event for communications providers to help them to get ready for the changes, with a particular focus on changes to complaint handling rules and how they affect a customer's eligibility for alternative dispute resolution.

Addressing complaint trends

In 2018, we worked with a number of providers to look at issues driving their complaints and how these issues could best be addressed.

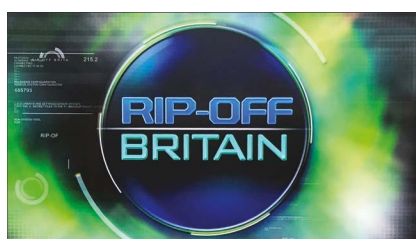
One provider had failed to notify customers of a forthcoming price rise, which had led to a significant number of complaints. We analysed the complaints and identified the root cause. As a result, the provider incorporated many of our recommendations in subsequent price rise communications and we received far fewer complaints.

We worked with another provider to rectify issues with long running broadband complaints, identifying issues concerning rejected orders, cancelled engineer visits and intermittent faults. As part of this work, we recommended that the provider review its reparation policy as we felt the payments offered did not always recognise the inconvenience caused.



Another provider was receiving a large number of complaints from customers who had received unexpectedly large bills. We made a series of recommendations around failures to apply price caps to accounts as promised, failures to explain to customers how usage could be managed and shortcomings in helping customers understand when roaming data caps had been removed.

In the news



Ombudsman Jon Lenton appeared in a number of media broadcasts in 2018, responding to communications industry developments and offering advice to consumers in need of redress.

Jon spoke as part of a BBC One Rip Off Britain feature on new measures Ofcom introduced to help customers not receiving the broadband speeds they were led to expect they would.

On 1 October 2018, Jon was interviewed for BBC4 You & Yours. This was regarding the new Ofcom rules to better support consumers, ensuring greater protection against nuisance calls and fairer treatment for vulnerable consumers.

BBC One Holding Back the Years ran a feature on automatic disconnection of Pay as you Go accounts after a period of non-use at the beginning of November 2018. Jon was interviewed to speak on the matter and to help raise consumer awareness of the issue.

Customer satisfaction

In 2018, overall customer satisfaction with the service provided in the communications sector by Ombudsman Services was 72% - up from 71% in 2017 and 63% in 2016. This marks an encouraging upward trend which demonstrates the positive improvements we've implemented in recent months.



As an ombudsman, we strive to lead the way in terms of good quality customer service and complaint handling which is fair and balanced. In March 2018, we launched a new case management system (CMS) which has enabled a better user experience and helps facilitate early resolution of complaints.

The feedback we receive from our customers inputs into our plans to continuously improve the customer experience. Colleagues undergo regular refresher training and our operational teams pride themselves on excellent service delivery.



Case study: Support for vulnerable consumers

The complainant escalated a complaint to Ombudsman Services on behalf of his mother, for whom he had Power of Attorney because she suffered from dementia. The customer reported that the company had taken over his mother's landline without her consent as she lacked capacity to understand what she had agreed to. His mother had returned to her original provider and the company had raised an early termination fee.

The complainant provided copies of emails which showed that the company offered to remove the early termination fee on receipt of evidence of his mother's condition. The complainant stated he had provided this but the company had not responded. Despite several requests, the company failed to provide Ombudsman Services with a case file and we were unable to make contact with them.

We reviewed the evidence the complainant provided. The letter from his mother's doctor was on NHS letter headed paper and appeared authentic. Despite being dated after the sale of the disputed contract, the letter confirmed that the complainant's mother suffered from dementia.

As we were satisfied with the evidence we received from the complainant, we required the company to remove the early termination fee. This was on the basis that the complainant's emails showed the participating company had previously offered to do this. We also considered that the company had failed to engage with us and provide evidence to show it had acted appropriately. We additionally awarded a goodwill payment of £30 in view of the company's failure to respond to the complainant's final email.

Mental capacity and the law

We sometimes receive complaints from consumers who say they agreed to contracts when they lacked the capacity to make the decision. They therefore dispute their responsibility for the agreement and any associated debt.

There are legal principles we must consider when we review complaints concerning mental capacity. In England and Wales, the Mental Capacity Act 2005 applies. The Act states that if a consumer makes a financial decision, such as agreeing to a contract for communications services, they have to follow the terms of the agreement unless they can show that the company they dealt with knew, or should have known, they lacked capacity to make the decision. In Scotland, a consumer has to demonstrate, on the balance of probabilities, that they lacked capacity at the time of agreement.





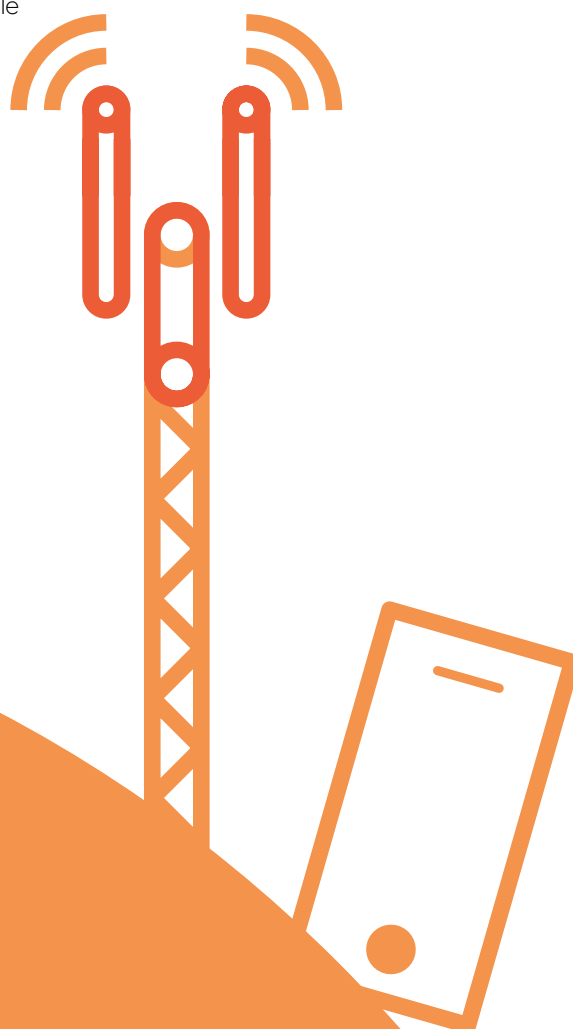
Case study: Network shortfalls

The customer complained that they had been experiencing poor mobile network coverage at their home and surrounding area for approximately six months. They had changed their SIM and tried a different handset but the problem persisted. The customer also complained that their provider had closed their complaint prematurely on a number of occasions and did not call them back following promises to do so.

The company acknowledged there had been instances of shortfalls in service and had credited the customer's account with £50. The company stated there was a network issue in the customer's area but it was working to fix the issue and providing regular progress updates.

We considered that while no provider guarantees a fault-free service, the network fault had been ongoing for six months. Furthermore, there was no indication of when the company would be able to fix the problem. In view of this, we considered that the customer should be able to cancel their contract without penalty. We allowed the customer the choice of returning their handset or making a payment for the remaining equipment cost.

We were satisfied that the company's credit of £50 was sufficient for the shortfalls in service but we recommended that the company also provide a letter of apology.



Communications at a glance - 2018



Total initial contacts

62,233

How these contacts got in touch

50% Telephone 

50% Written 

of those written contacts

 **27%**
web forms

 **19%**
emails

 **4%**
letters

Complaints resolved

21,251

40% of contacts were inside our terms of reference (ITOR)

60% of contacts were outside our terms of reference (OTOR)

Key performance indicators (KPIs)

100% of correspondence actioned within 10 days

77% resolved in under 4 weeks

98% resolved in under 6 weeks

99% resolved in under 8 weeks

Top complaint types

33%
Billing

23%
Service quality

15%
Contract issues

Awards and remedies

 **3%**
Financial

 **17%**
Non-financial

 **80%**
Both

of the complaints resolved

52% Upheld

The complaint was justified but we considered the actions taken by the company to resolve the complaint were insufficient. Additional action was required.

17% Not upheld

The company had not made a mistake and had treated the complainant fairly. There was no basis for the complaint and no remedy or award was required.

12% Settled

An agreement is reached between the complainant and company, after the complaint came to Ombudsman Services but prior to an investigation outcome.

19% Maintained

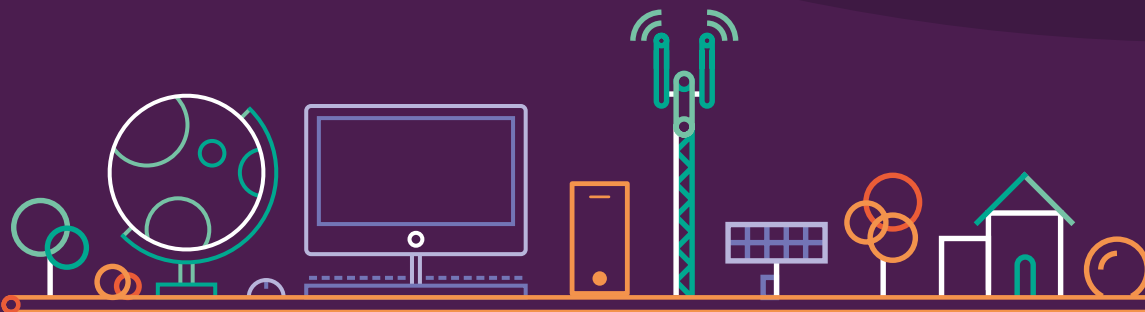
The complaint was justified and we considered the actions taken by the company to resolve the complaint prior to the case being accepted for investigation were fair and reasonable. We required the company to maintain the offers already made but we did not require any additional action.



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