



Ombudsman
Services

Good for consumers – Good for business

Annual Activity Report
for Ombudsman
Services:
Communications
July 2016 – June 2017

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 90,423 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 41,791 fell within scope of what OS:C can deal with.

456 of the total cases received were Cross Border disputes. Of these cases 147 fell within scope of what OS:C can deal with.

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 Types	Number of Cases
Billing	14022
Customer Service	5217
Disputed Charges	78
Service	229
Contract Issues	6564
Equipment	2068
Mis-sell	1746
Other	462
Security	729
Service quality	10676
Grand Total	41791

Cross Border Complaints	
Complaint Types	Number of Cases
Billing	60
Customer Service	19
Contract Issues	22
Equipment	5
Mis-sell	6
Other	2
Security	2
Service quality	31
Grand Total	147

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

Consumers have difficulty understanding and mitigating the potential for significantly higher charges when using mobile services abroad. The differing packages and terms offered by traders has contributed to these difficulties. When customers fail to consider, or miscalculate, the terms of service offered by their provider, far higher charges result than would be expected from typical domestic usage.

Billing and payment collection discrepancies have resulted from problems with trader's IT platforms. Disputes arise as a result of inaccuracies, unexplained debits/credits and ongoing issues collecting and applying payments to customer accounts.

The provision of information to credit reference agencies, with respect to customer payments, forms the basis for frequently occurring disputes. This often arises in conjunction with other dispute issues and has been connected with the IT platform issues discussed previously.

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

The introduction of the new EU roaming rules in June 2017 represents a positive change for consumers. This allows greater use of services whilst protecting consumers from falling foul of high roaming charges within the EU.

The EU rules do not provide protection elsewhere in the world. In this respect traders must ensure that terms of use are clear and that full information is easily accessible on websites.

Traders must consider the impact adverse payment records can have on individuals. Trader's should ensure that information is not unfairly communicated to credit reference agencies where there is a potential for inaccuracy or where a dispute concerning payment is ongoing.

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 17,021. The percentage breakdown of the reasons for refusal is given below.

Reason for Refusal	Number 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	93.2%
(b) The dispute is frivolous or vexatious.	0.1%
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	0.6%
(d) The value of the claim falls below or above the monetary thresholds you have set.	0.0%
(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.	5.7%
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0.3%

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 27,241. This represents 30% of the total amount of disputes received. The table below is the percentage breakdown of the reasons for the discontinuation:

Reason for Refusal	Number of Cases
The subject matter of the dispute did not fall within the scope of what OS; Communications can consider under its scheme rules	25.8%
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	70.1%
The trader that the consumer is complaining about was not registered with OS as its ADR entity	1.2%
The consumer was not a 'customer' of the trader	2.9%

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

The average time taken to resolve a domestic dispute is 41 days and for a cross-border dispute is 40 days.

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

In the reporting period there have been 27,856 remedies confirmed, of which 24,333 or 87.32% were implemented within 28 days and 2,768 or 9.93% implemented outside of 28 days. Of the total confirmed remedies, 764 or 2.74% 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 decision 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 investigates very few cross border disputes as a proportion of the overall cases handled by the service. OS:C is not affiliated with an ADR network as described in this section.