



Response to Ofcom Consultation Paper:

Revised statement of policy on the persistent misuse of an electronic communications network or service

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1 EXECUTIVE SUMMARY

Callcredit have an indirect interest in the area of Persistent Misuse on behalf of our clients. We also note that the key aim of these proposals is to clarify on already existing measures. Our response is therefore brief and concentrates on matters appropriate to our position in relation to this market.

Callcredit believe that misuse of communications in the form of silent and abandoned calls can be combated through the introduction of improved capacity planning systems combined with adoption of methodologies in order to predict the time of call that an individual is most likely to be present to answer.

Recognising the problems caused to individuals by even a very small volume of 'silent' calls, companies who use automated dialling to reach consumers should be encouraged to take all available measures to minimise such calls.

One route to this end is to increase the sophistication of contact planning. This can be approached by using statistical methods to predict the best times of day for a right party contact to be obtainable, and the subsequent likelihood of right party contact.

Such measures can result in great improvements to firms' ability to correctly plan call capacity, and so reduce error rates evidenced by abandoned calls or those answered by the wrong party. Companies who undertake such activity hence gain benefit themselves as well as reducing misuse and we believe that efforts made to implement such measures on a robust basis should be recognised and encouraged.



2 PURPOSE OF DOCUMENT

The purpose of this document is to provide Callcredit's response to the Ofcom Consultation Document "Revised statement of policy on the persistent misuse of an electronic communications network or service".

Callcredit note that within the consultation paper Ofcom seeks to identify areas where there is a need for greater clarity and that hence revisions are proposed to the text of the Persistent Misuse Statement to forestall any misunderstandings, rather than any radical departures being suggested from the current approach.

Whilst Callcredit have a significant interest in this area on behalf of many of our clients (notably in the area of debt collection) to who telephone contact with consumers is vital, we do not ourselves operate an automated dialler system. We have therefore not responded to all questions, restricting comment to areas which are appropriate to our expertise.

3 CONTACT DETAILS

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4 CALLCREDIT

A subsidiary of Skipton Building Society, one of the largest building societies in the UK, with assets of over £10 billion, Callcredit answers the UK finance industry's demand for a genuine consumer credit-referencing alternative to the long established duopoly. By using new, secure and easy to deploy technologies Callcredit has released information providers and their clients from being subjected to cumbersome, expensive legacy issues. Services offered include:

- Credit Risk Solutions
- Fraud and ID Solutions
- Marketing Solutions
- Consumer Solutions

During the last few years a series of UK companies, including Lloyds TSB, HSBC, HBOS, RBS, Barclays, AMEX and Bradford & Bingley have implemented Callcredit products. Callcredit's products are now mature, incorporating comprehensive, accurate and predictive datasets. With services proven, many other UK financial organisations are now considering using Callcredit and we believe 2008 will see a significant increase in the uptake of Callcredit's products.

Callcredit is actively involved in the industry at large with representation in appropriate working groups. Regular engagement within the financial services industry ensures that Callcredit understands and influences change within the UK marketplace. Such groups include the relevant Trade and Professional Associations (BBA, APACS, FLA, CML etc.), appropriate Government Departments and other recognised Industry groups such as SCOR and CIFAS.

Callcredit has particular interests in a number of specific areas:

- **Data Sharing** - Data sharing is key to Callcredit's business. Greater data sharing from public groups has been posited as an important step in the detection and prevention of crime. However the potential benefits to be gained need to be weighed against the rights of the individual and the risks to them of any possible inaccuracy and issues in data security.
- **Identity Verification and Anti-Money Laundering** – Callcredit has found significant success in assisting firms to meet their obligations in respect of the prevention of anti-money laundering, and to protect themselves and their customers through verification measures when money laundering is not a concern.
- **Over Indebtedness and Personal Insolvency** - The UK credit industry is seeing a small but increasing minority of individuals who are experiencing difficulties with their credit commitments. We seek to support lenders in their efforts to identify and hence treat indebted customers fairly. During 2006 Callcredit launched its unique consumer indebtedness initiative in association with the UK's leading high street banks. The initiative uses consolidated income and debt data to provide a strong understanding of consumer indebtedness and ability to pay.



5 CONSULTATION RESPONSE

5.1 Q1 - Do you agree that the proposed changes make for a clearer set of rules that enable compliance to be achieved with a greater degree of certainty?

Yes

5.2 Q2 – Do you agree with Ofcom’s approach to determining whether the use of automated messages constitutes misuse?

No comment

5.3 Q3 – Do you believe that it is possible to define objective criteria for applying the public interest test?

No comment

5.4 Q4 – Do you believe that outbound call steering should only be used with customers who have given their prior consent?

Callcredit suggest that an opt-in scheme is likely to offer the most appropriate balance, being able to offer to assist the consumer through reminders for example while being able to withhold such calls where the recipient would regard it as a breach of their privacy.

An opt in scheme would be in line with approaches taken to provision of marketing information and to inclusion of personal information on the edited electoral roll. It is therefore an approach which is likely to offer familiarity to both consumers and companies involved.

The example used in the consultation paper, drawing on correspondence taken received by the Ofcom Advisory Team makes it clear that some consumers do indeed welcome reminders to pay bills and the like.

Many consumers are now apparently finding themselves with complex borrowings which in turn mean complex repayments to manage. While lenders aim to encourage participation in direct debit schemes, some consumers are unwilling or unable to pay via this mechanism. The consequences of missing payments on credit commitments in particular can include adversely affecting an individual’s ability to obtain credit in the future.

Callcredit would therefore consider that where reminder calls can be provided at an acceptable cost, and the consumer agrees to receiving calls, it should remain an option, as Ofcom’s proposed approach of ruling out such calls altogether might otherwise prove to have a negative effect for some individuals. We also believe outbound call steering remains appropriate in cases of breach of contract.



5.5 Q5 – Do you agree with Ofcom’s clarification that the exploitation of all types of revenue-sharing numbers represents a form of misuse?

No comment

5.6 Comments

Callcredit would recommend that organisations undertaking automated calling systems to undertake campaigns should ensure all campaign dialling lists are refreshed with up-to-date contact detail and phone number data before calling. This not only benefits companies by increasing the overall Right Party Connect rate but also benefits consumers by helping to minimise the abandon rates due to making it possible for predictive diallers to work more efficiently

Predicting the best time of day to call each individual and adjusting the campaigns accordingly similarly increases efficiency and reduces the overall abandon rate. Subsequently, the need for automated messaging can also be reduced.

Individual lifestyle data on consumers can add value to internal capacity planning systems. Structured and robust capacity planning and accurate determination of expected inbound and outbound volumes reduces abandon rates and reduces general answer times, to the benefit of all parties.