Telecoms Complaints Bulletin

Market Data

Publication date: 31 May 2013
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Section 1

Introduction

Ofcom receives and monitors complaints from consumers who are dissatisfied with their experience in the communications sector. It uses this data both to take enforcement action against specific companies that are breaking existing Ofcom rules and also to highlight problem areas where new rules may be needed to protect consumers.

Ofcom does not have the power to resolve individual consumer complaints about telecommunications services, unlike for TV and radio. However, we provide advice to individual complainants and refer them to the two Alternative Dispute Resolution (ADR) schemes that we have approved.

The two Ofcom-approved schemes are: Ombudsman Services: Communications (OS) and the Communications and Internet Services Adjudication Service (CISAS).

This bulletin includes complaint trends for some of the key areas of consumer dissatisfaction and complaints made to the Telephone Preference Service (TPS) about unwanted marketing calls.
Section 2

Consumer complaints overview

Ofcom monitors the complaints it receives from consumers and categorises them. Figure 1 shows monthly complaint trends for some of the key areas of consumer dissatisfaction over the past 13 months.

**Figure 1. Consumer complaints summary, April 2012 – April 2013**

Complaints Handling

Ofcom receives complaints from consumers about how communications providers have handled their problems including: the amount of time they have to queue on the telephone, not receiving responses to letters or emails, not being able to escalate complaints, and the quality of staff.

Most communications providers view customer service and complaints handling as key components of their operations and will endeavour to treat their customers fairly.

Ofcom’s role is to ensure that when something goes wrong, consumers are able to find out easily how to make a complaint and to ensure that their provider has appropriate processes in place to receive and handle their complaint.

Ofcom requires all providers to have complaints handling procedures that conform to the Ofcom Approved Code of Practice for Complaints Handling. All telecoms providers must also be members of an Ofcom-approved Alternative Dispute Resolution (ADR) scheme, which act as a middleman between consumer and provider. Disputes that have not been resolved...
within eight weeks, or earlier if the provider sends their customer a ‘deadlock’ letter, can be taken to ADR.

In February 2013, Ofcom opened a monitoring and enforcement programme to assess Communications Providers’ compliance with Ofcom’s complaints handling requirements (covered by General Condition 14.4) and ensure that providers are making consumers aware of ADR.

Advice for consumers on how to complain about their communications provider can be found here.

**Mis-selling/Slamming – Fixed line and Mobile**

There are various ways that providers of communications services can mis-sell to consumers. These can include pretending to be another company; not providing correct costs; and not giving consumers the full story on minimum contract periods or penalty charges should consumers choose to exit the contract early.

Also, if a consumer receives a bill from a phone company they have not signed up to, it is possible they have been ‘slammed’. In other words, they are simply switched from one company to another without their express knowledge and/or consent.

Another issue in this area is ‘erroneous line transfers’. These can happen as a result of consumers having their lines switched accidentally and more commonly occur when a customer has requested a service to be provided to their house, but the service is instead provided to a neighbouring house. This is primarily caused by limitations in providers’ abilities to correctly identify the target address for takeover. The Office of the Telecoms Adjudicator is looking into this issue and working towards a solution.

Ofcom introduced strict rules (General Conditions 23 & 24) which ban all forms of mis-selling for mobile and fixed-line telephone services, respectively. Compliance with these rules is actively monitored through complaints made to the Ofcom Contact Centre and, for General Condition 24, through its enforcement programme. Ofcom can take action against phone companies which break these rules and has the power to impose fines of up to 10 per cent of their turnover.

Consumers play a vital role in helping Ofcom to tackle mis-selling as complaints can assist us in deciding when to take action. Complaints about fixed-line mis-selling/slamming can be registered here. Complaints about mobile mis-selling can be made by calling the Ofcom Consumer Team on 0300 123 3333.

**Early Termination Fees**

Most telecoms contracts are of a minimum length and should a consumer wish to terminate the contract earlier, providers can impose an early termination charge. These types of charges are allowed, but they must also be fair.

Ofcom has published Guidance on these ‘Additional Charges’ under the Unfair Terms in Consumer Contracts Regulations 1999 and opened an enforcement programme on 1 April 2009 to make sure companies are complying with the law.

Since then Ofcom has agreed with a number of providers, including BT, TalkTalk and Virgin Media, that they would reduce the charges they levy on consumers for leaving their landline (or landline plus broadband) contracts early.
Ofcom’s ‘Additional Charges’ enforcement programme was extended for a further twelve months in March 2013. This allows Ofcom to continue to ensure consumer contract terms relating to Early Termination Fees in the communications sector are fair.

Complaints about additional charges can be made by calling the Consumer Contact Team on 0300 123 3333.
Section 3

Abandoned and Silent Calls

The majority of abandoned or silent calls are not calls made by people making prank calls. They are, more usually, caused by the use of technology called ‘predictive diallers’. Organisations use automated predictive diallers to maximise the amount of time their call centre agents spend speaking to consumers.

Predictive diallers may be used by many types of companies, including telemarketing companies, market research companies and debt collection agencies. They are also used by companies to contact existing customers. This technology is designed to work by dialling telephone numbers automatically, then connecting the call recipient to a call centre agent as soon as they answer the phone.

If, for example, all the call centre agents are busy when the call recipient answers the phone, the customer may simply hear silence because the predictive dialler has already terminated the call. This type of call is considered to be a ‘silent call’.

Technology used by companies to detect answer machines may also generate silent calls. For instance, the technology – referred to as Answer Machine Detection (“AMD”) – may mistake a call recipient for an answering machine and cut off the call without the call recipient hearing anything.

To reduce harm to recipients, Ofcom requires companies to play an information message if they do not have an agent available to take the call when it is answered. The information message must explain who has made the call and provide a number for the call recipient to call to opt-out of receiving further calls. This requirement has been in place since 2006.

We refer to a call accompanied by an information message as an ‘abandoned call’. Ofcom has requirements regarding the use of automated diallers and has an enforcement programme to make sure organisations are complying with the requirements.

Ofcom also introduced requirements to stamp out repeat silent calls, where call recipients receive more than one silent call a day from the same company. The requirements came into force in February 2011 and prevent a company using AMD technology more than once a day if an answer machine is ‘detected’ on the first attempt.

Tackling the problem

Complaints from consumers provide evidence which informs Ofcom’s enforcement programme to crack down on abandoned and silent calls. The number of complaints made to Ofcom increased from 3,081 in February 2013 to 3,901 in April 2013. See Figure 2.

Greater consumer awareness and increased complaints helps us to identify where to target our enforcement action and find those companies that may not be compliant with our policies. Complaints about receiving abandoned and/or silent calls can be registered here.

If companies are found to be in breach of the regulatory requirements on abandoned and silent calls, Ofcom can take action, including fining companies up to £2m. Most recently, Ofcom fined TalkTalk £750,000 for making an excessive number of abandoned and silent calls to potential TalkTalk customers in 2011, through two of its call centre operators.
Ofcom’s ongoing enforcement action represents part of its five-point action plan, announced earlier this year to address the wider issue of nuisance calls.

As part of this programme of work, Ofcom recently published new research revealing the extent to which nuisance calls are affecting UK consumers. The study found that consumers who experienced unwanted calls received around two per week on average, with four in five participants receiving at least one nuisance call during the four-week research period.

Calls about Payment Protection Insurance (PPI) made up the largest proportion of unwanted calls that could be identified. As a result, Ofcom announced it is considering enforcement action in relation to suspected abandoned and silent calls made by companies within the PPI/claims management sector. Ofcom has also written to the Ministry of Justice to draw attention to the extent to which PPI claims appear to be driving nuisance calls.

Ofcom is playing an active role in the coordinated effort to tackle nuisance calls alongside other regulatory bodies, such as the Information Commissioner’s Office, and Government. This is a complex and challenging area, but Ofcom is determined to work with industry and other regulators to drive a more effective response to nuisance calls and help protect consumers.

Figure 2. Consumer complaints to Ofcom about silent or abandoned calls, April 2012 – April 2013
Section 4

Complaints to the Telephone Preference Service about unwanted marketing calls

Consumers sometimes receive unsolicited marketing calls from businesses. If they do not want to receive such calls, they can register their number with the Telephone Preference Service (TPS). The TPS maintains the register of persons who do not want to receive marketing calls on Ofcom’s behalf.

Figure 3 shows the number of complaints made to the Telephone Preference Service (TPS) about unwanted marketing calls. In order for a complaint to be recorded, the person concerned must have been registered with the TPS for at least 28 days. This allows call centres to obtain the latest version of the register.

Complaints reached 10,373 in February 2013 before decreasing slightly to 9,849 by April 2013.

More generally, the TPS has suggested that the rise in complaints over the last year can partly be attributed to the increased telemarketing activity of companies dealing with payment protection insurance (PPI), accident claims, energy comparison services, insulation grants and lifestyle surveys.

Figure 3. Consumer complaints to the Telephone Preference Service (TPS), April 2012 – April 2013
The role of the Information Commissioner’s Office

The Information Commissioner’s Office (ICO) is responsible for taking enforcement action where a company makes marketing calls to a person who is registered with the TPS and has not given prior consent to receive such calls to that company.

In March 2013, the ICO served a monetary penalty of £90,000 to DM Design for making thousands of unwanted marketing calls and consistently failing to check whether individuals had opted out of receiving marketing calls.

The ICO is currently conducting investigations into the cold-calling practices of a number of other companies and also publishes a quarterly update on the action it is taking.

Consumers can complain directly to the ICO here.