Tackling unexpectedly high phone bills

Consumers can sometimes find themselves facing unexpectedly high phone bills as a result of using their mobile abroad, going beyond their monthly allowance, having their phone stolen, calling expensive or premium rate numbers, or downloading data.

Ofcom undertook an extensive review looking at the issue of ‘bill shock’ in March 2012 and found mobile contract customers to be most vulnerable. We also found that downloading data, particularly when travelling outside of the EU, is one of the main ways consumers run up unexpectedly high bills.

Ofcom has continually pushed for a better deal for consumers who use their mobile phones abroad and worked closely with the Government and regulators in Europe on how best to deal with the issue of high international roaming prices.

We were pleased, therefore, to see the introduction of new EU Roaming legislation earlier this month. The new rules not only make it cheaper to use your mobile when travelling within the European Union, but also specifically address the problem area of data roaming when travelling worldwide.

New EU roaming regulations bring down the cost of using your mobile abroad

As of 1 July 2012, all mobile operators are required to alert consumers once their mobile internet bill reaches 50 Euros – around £41 per month – regardless of their international location. Consumers will then have to confirm they are happy to go over this level in order to continue data roaming. This extends the alert system previously only in place within the EU, and means consumers travelling worldwide now also benefit from greater protection.

A cap has also been introduced on the amount consumers can be charged for surfing the mobile web when abroad, although this will only apply within Europe. Phone companies can now charge no more than 70 cents (58p) per megabyte of data, plus VAT.

Under the new legislation, the cost per minute of making a call in the European Union has also fallen from 35 to 29 cents (24p) from 1 July, while the cost of receiving a call has dropped from 11 to 8 cents (7p), plus VAT.

Ofcom supports the changes to the existing EU regulations and is also working with the mobile industry to prevent consumers running up excessive bills when using their phones domestically too. We are encouraging operators to promote tariffs that give consumers the ability to set their own financial caps and receive usage alerts. We are also urging the industry to better advertise steps that consumers can take to protect themselves, such as usage monitoring tools offered via apps or account facilities.

More information about our review and the action we are currently taking can be found here.
On 30 May, we published a further consultation, following on from our July 2011 consultation, to improve communications services for people with hearing and speech impairments.

Text relay services enable people with hearing and/or speech impairments to communicate with others through telephone or textphone equipment. Under the current system, a relay assistant acts as an intermediary to convert speech to text and vice versa for the two parties. Ofcom research has found that these conversations can be slow and sometimes fail to flow naturally.

Ofcom is proposing that all UK landline and mobile providers give their customers access to a next generation ‘text relay’ (NGTR) service approved by Ofcom. The further consultation is focused on:

i) the cost and benefits of requiring all communications providers to provide NGTR; and

ii) the proposed criteria that we would use to approve text relay service providers.

Our further consultation closes on 13 July and once we have considered responses we plan to publish our final statement on NGTR.

Providing better text relay services to benefit consumers

There are a number of potential benefits of the proposed NGTR service including:

• improving the flow of conversation by introducing parallel two-way speech. This will allow users to interject, instead of having to wait until the end of a message;

• enabling a wider range of mainstream equipment to be used to access the service, including easier use of text relay on the move via mobile phones; and

• improved conversation speeds.

Video relay

Ofcom intends to consult on proposals on video-based relay services later this year. In the meantime, Ofcom is working with government and disability groups to encourage the provision of video relay services by communications providers and other organisations voluntarily.

Tackling unexpectedly high phone bills

Travel Tips

- If you are planning to travel outside of the UK, it is especially important to check roaming prices before you go.

- Many smartphones or tablet computers have applications which automatically search for online updates whenever the device is switched on. So unless you turn off data roaming before you go abroad, these devices could be inadvertently downloading in the background throughout your stay.

- Check how much you will be charged per MB if you exceed the bundle – be wary as this can be a lot higher than the cost per MB when you purchase a bundle.

- Use local Wi-Fi hotspots in the countries you are visiting instead of mobile internet. If you are unsure how to do this, refer to your handset manual or speak to your provider.

- Consider buying a local pay-as-you-go SIM card or a local laptop dongle in the country that you visit, so that you pay local prices.

General tips

- Find out more about international roaming here.

- Find out more about voice and data allowances here.

- Find out how you can keep your phone safe, and what to do if it goes missing, here.

- Find out more about call costs here.
Ofcom consults on new dispute resolution process

Under the Communications Act 2003, communications providers must be a member of a recognised Alternative Dispute Resolution (ADR) scheme. These schemes play an important role in complaints handling by providing impartial judgements when consumers and communications providers cannot agree on the resolution of a complaint.

We currently approve two such schemes: Ombudsman Services: Communications (OS) and the Communications and Internet Services Adjudication Scheme (CISAS).

Ofcom is obliged to keep our approval of ADR Schemes under review and in October 2010 we started a process to determine whether it is appropriate to allow CISAS and OS to continue to be the approved ADR Schemes.

Ofcom is generally satisfied that both Schemes continue to meet the approval criteria of being accessible; independent; fair; efficient; transparent; effective and accountable. However, our review has identified that some aspects of the decision making process at both schemes may result in inconsistent outcomes for consumers.

Ofcom is therefore proposing to modify the conditions of our approval of the Schemes by introducing a new set of Decision Making Principles, to ensure that a fair and reasonable outcome can be achieved for all parties.

It is hoped that the principles will reduce the likelihood of inconsistent outcomes for consumers when accessing ADR services and provide greater clarity and certainty for all parties involved.

The consultation closed on 29 June and Ofcom is now considering the views of stakeholders before publishing a statement with our final decision.

The full consultation can be found here.

Advice for consumers on how to make a complaint about a communications provider can be found at: http://consumers.ofcom.org.uk/files/2009/09/complain.pdf

Ofcom takes action against silent and abandoned calls

On 19 April 2012, Ofcom announced that it had fined international home insurance and repairs company HomeServe £750,000 for making an excessive number of abandoned and silent calls. Ofcom opened an investigation into HomeServe last year as part of a monitoring and enforcement programme. The penalty levied was the culmination of this investigation.

Under Ofcom’s rules, there is a limit on the number of abandoned and silent calls that companies are permitted to make to consumers. Ofcom’s investigation into HomeServe found that the company exceeded an acceptable level of abandoned and silent calls across a 24-hour period on 42 separate occasions between 1 February and 21 March 2011.

Ofcom rules also prohibit companies from making repeat calls to specific numbers within the same 24-hour period (when specific technology, prone to mistaking live individuals for answer machines and disconnecting a call without leaving a recorded information message, is used). This is to protect consumers from the risk of repeated silent calls. Ofcom found that HomeServe made an estimated 36,218 calls in breach of this rule.

In reaching its decision, Ofcom took account of a number of factors, including the steps taken by HomeServe to bring itself into compliance with the rules on abandoned and silent calls, and its offer to compensate consumers who suffered harm as a result of its call centre practices.
Ofcom consults on Royal Mail’s ‘delivery to neighbour’ scheme

Ofcom is consulting on allowing Royal Mail the freedom to roll out its ‘delivery to neighbour’ scheme across the UK.

The proposal could offer consumers greater choice for receiving mail when they are not at home.

Ofcom’s decision to consult comes after careful consideration of Royal Mail’s consumer research following delivery to neighbour trials.

If Ofcom makes these changes to Royal Mail’s delivery obligations, the company could leave mail items with a neighbour in the event that addressees are not in to receive them.

This would avoid larger postal items, certain items requiring a signature and articles for blind people being returned to a Royal Mail office to await collection, or being redelivered to a local Post Office or to the addressee’s home on a later date. Customers who prefer the existing arrangement, however, will be able to opt out of the scheme.

At present, Royal Mail is the only major UK postal company currently not permitted to deliver to a neighbour.

Given the potential benefits to consumers and positive results of recent trials, Ofcom is minded to give Royal Mail this greater commercial freedom in delivery, subject to the consultation and the implementation of certain safeguards.

Greater consumer choice

Royal Mail has made a commitment that consumers will be able to opt out of the scheme, both in relation to delivery of their own items and their receipt of a neighbour’s items.

Consumers would alert Royal Mail to their preference by displaying an opt-out sticker, provided free of charge by Royal Mail, in a prominent location at their address.

Royal Mail also proposes to retain liability for all undeliverable items until they are received by the original addressee.

Royal Mail trials

Postcomm, the previous regulator, permitted Royal Mail to conduct trials of the delivery to neighbour scheme, which have been running in a number of areas across the UK since late 2011. Postcomm said that Royal Mail must provide evidence that the scheme would be welcomed by consumers.

Royal Mail research found that 92 per cent of consumers whose items were left with a neighbour expressed overall satisfaction with the experience, while 90 per cent of neighbours who accepted an item were satisfied with the process.

Next Steps

The consultation, which closes on 24 August 2012, can be found here.

GC9 Enforcement programme update

In January, Ofcom launched an enforcement programme to monitor communication providers’ compliance with the requirement to offer contracts with minimum terms (known as General Condition 9) following the changes that have been made to implement:

• the revised EU electronic communications framework in May 2011; and

• Ofcom’s decision in September 2011 to prohibit automatically renewable contracts.

Under this programme, Ofcom has reviewed information collected from communications providers and reviewed their standard terms and conditions. We have identified a number of potential compliance issues and will be extending the programme for another six months to deal with those issues. Where appropriate, Ofcom may initiate separate investigations of named providers.

Updates on this programme will be made in due course, and can be found here.
**Ofcom publishes latest in series of quarterly complaints publications**

Ofcom has published its latest set of complaints data covering telecoms providers and, for the first time, pay TV services.

This fifth quarterly report reveals which providers have generated the most complaints to Ofcom between January and March 2012. It also contains complaints data for the full period of October 2010 to March 2012. For pay TV complaints, the report covers a six-month period from October 2011.

The research aims to provide useful information for consumers and also to incentivise operators to improve their performance.

The next publication will include data for the period April to June 2012, and is expected to be published towards the end of September 2012.

The latest report can be found [here](#).

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**Misuse of ‘Cancel Other’**

‘Cancel Other’ is a consumer protection mechanism designed to ensure that customers are not switched to another provider without their permission. Therefore, it should only be used in certain circumstances; in particular, where a customer believes they are a victim of slamming (switching communications provider without the consent of the consumer).

However, when Cancel Other is mis-used, it has the potential to lead to consumer harm and disrupt a consumer’s genuine desire to switch providers. In such an instance, a ‘losing’ provider might frustrate the transfer process by cancelling an order to transfer an account to another provider, against the express wishes of the consumer. This can be a frustrating and distressing experience for consumers. Abuse of Cancel Other is also harmful to competition as it reduces switching.

**Axis Telecom Limited**

Following an investigation, Ofcom determined there were reasonable grounds for believing that Axis Telecom Limited (“Axis”) contravened General Condition 24, specifically its use of Cancel Other. Therefore, Ofcom issued Axis with a notification under section 96A of the Communications Act 2003 (the “Act”) on 12 March 2012. Having considered Axis’ representations following the section 96A Notification, Ofcom was satisfied that between 26 May 2011 and 21 September 2011 (the Relevant Period) Axis contravened GC24 and specifically the provisions relating to the use of Cancel Other.

Therefore, on 18 May 2012 Ofcom issued Axis with a Confirmation Decision under section 96C of the Act. The Confirmation Decision confirms the steps that Axis must take to comply with the Cancel Other requirements of GC24 and to remedy the consequences of its contravention. The Confirmation Decision also imposed a fine of £30,000 on Axis in respect of its contravention of GC24 during the Relevant Period.

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**COMING UP...**

- Publication of research on fixed broadband quality of service – end of July
- Statement on ADR – this summer

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**CONTACT US**

We’d really welcome your views on our Consumer Bulletin. Please e-mail jonathan.ruff@ofcom.org.uk or call 020 7981 3478 if you have any views on how we can improve the next issue.