New measures proposed to make switching telecoms provider easier

In January, Ofcom proposed a new set of measures to make changing broadband and landline providers simpler and more reliable, while also protecting consumers from being switched without their knowledge or consent, also known as slamming.

Enabling consumers to switch providers easily is important to ensure they can choose the broadband or telephone service that best suits their needs. But Ofcom’s research has shown that consumers can face a number of problems when changing their service provider.

Delivering benefits for consumers

Ofcom’s preferred option is a process where the new provider manages the switching process, including the transfer of services from the old provider. To guard against slamming, the switch would be checked and verified by an independent third party.

This process is designed to benefit consumers in a number of ways, by:

• ensuring that switches are verified by an independent third party to protect consumers from slamming;
• simplifying the process so that consumers are not confused by different methods of switching;
• ensuring that all providers can compete so consumers can continue to benefit from innovation, choice and value for money;
• addressing technical problems when switches take place, which currently can lead to the wrong line being switched and consumers losing service;
• ensuring that consumers have accurate information on the implications of switching so that they can make informed decisions on whether to change providers; and
• simplifying the switching process so consumers do not have to contact different providers when moving to a bundle.

Ofcom is keen to hear from both industry and consumers on the evidence and analysis presented in the consultation. We would be particularly pleased to hear any further evidence you may have and your views on our preferred option.

The switching consultation and plain English guide can be found here.
Tackling unexpectedly high phone bills

Ofcom has set out an action plan to tackle the problem of consumers being hit with unexpectedly high phone bills, also known as ‘bill shock’.

Bill shock review

It follows Ofcom’s review into the causes of bill shock in the communications sector which identified that mobile contract customers were most likely to be affected by this problem. Our findings suggested that the main causes of bill shock were:

• downloading data, primarily while travelling outside the EU, but also when using data in the UK;
• exceeding mobile allowances; and
• lost or stolen phones.

Ofcom also found that consumers have low levels of awareness about how to protect themselves and can find it difficult to find information about data charges from their provider.

Next Steps

Ofcom will now work with the mobile industry on a series of measures to address the main issues identified by the review and is encouraging UK mobile operators to:

• voluntarily introduce worldwide financial caps prior to any new EU legislation taking effect;
• do more to develop and promote ‘opt-in’ measures, such as tariffs that allow consumers to set their own financial caps or receive alerts about usage;
• explore the feasibility of limiting the amount consumers would be liable for if their phone was stolen; and
• be mindful of their obligations around tariff transparency as we intend to review the information they provide to consumers on their websites.

If these measures do not sufficiently reduce consumer harm, Ofcom may consider mandatory options to tackle the problem.

Ofcom is also calling on providers to do more to educate customers on how to avoid bill shock. As part of this drive to raise consumer awareness, Ofcom has published a guide with information for consumers on how to take steps to protect themselves, which can be found here.

Ofcom’s review into the causes of bill shock can be found here.

REVEALED: How parents control children’s access to media

A new online survey conducted by the website ParentPort has revealed the challenges and pressures parents face when it comes to keeping the media their children see age-appropriate.

The survey of 1,800 respondents from the UK’s two largest online parenting communities – Mumsnet and Netmums found that 40 per cent had allowed their children to watch a film classified above their age. In addition, of those whose children play video games, a quarter (25 per cent) had allowed their children to play games classified above their age.

The survey also covered parental attitudes to oversight of content with many closely supervising what their children see and use. In fact, 82 per cent of the parents surveyed claimed they always know what films and television programmes their children watch.

Ed Richards, Ofcom’s Chief Executive said: “This survey reveals the challenges facing parents when it comes to their children’s use of the media. ParentPort now gives parents an easy way to register their concerns with the media regulators who work to protect children from inappropriate material”.

ParentPort website

ParentPort was set up by the UK’s media regulators last October to make it easier for parents to complain about material they see or hear across the media, communications and retail industries.

For further information about ParentPort, please visit www.parentport.org.uk.
Jump in UK broadband speeds

Ofcom research published in February revealed that UK consumers are achieving 22 per cent faster broadband speeds at home than they were 12 months ago.

In November 2011, the average actual UK residential broadband speed was 7.6Mbit/s, compared with 6.2Mbit/s in November/December 2010, and 6.8Mbit/s in May 2011.

This increase was mainly as a result of consumers moving onto higher speed packages. In November 2011, for the first time more than half (58 per cent) of UK residential broadband connections had a headline, or advertised speed of above 10Mbit/s, up from 48 per cent in May 2011.

However, more than four in ten broadband consumers remain on packages with speeds of 10Mbit/s or less even though many of them would be able to get a higher speed at little or no extra cost if they switched package or provider.

Advertised speeds

The Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) published guidance in September 2011 on the use of speed claims in broadband advertising, which will come into force in April 2012.

Ofcom has recently commissioned mystery shopping to look at whether ISPs are adhering to the spirit of the Voluntary Code of Practice on Broadband Speeds and aims to publish the findings in the spring.

Ofcom’s sixth report of UK broadband speeds, undertaken in partnership with SamKnows, can be found here.

UK consumers are a nation of online shoppers

Ofcom’s sixth International Communications Market Report (ICMR) into the global communications market revealed a number of interesting facts about the UK communications market.

The research found that more consumers in the UK use the internet for shopping than other major countries. It also suggested that consumers in the UK watch more TV online, use their mobiles more to go online and play more games on their phones.

Smartphone ownership nearly doubled in the UK between February 2010 and August 2011 (from 24 per cent to 46 per cent), meaning that take-up was higher in the UK than among the other European countries surveyed.

UK customers are also paying lower prices for their communications than many consumers across the world.

The ICMR examines global communications markets and looks at take-up, availability and use of broadband, landlines, mobiles, TV and radio in 17 countries.

The full report can be found here.

Latest telecoms data published

Ofcom published its latest complaints data revealing the most complained about major telecoms providers between July and September 2011.

The quarterly report aims to provide useful information for consumers, and also to incentivise telecoms providers to improve their performance.

Ofcom publishes complaints data for telecoms providers with a market share of over four per cent. The number of complaints is published as a proportion of each provider’s customer base. This enables consumers to compare providers on a level playing field.

Ofcom has now published data covering a full year, enabling consumers to check providers’ performance over a longer period of time. Ofcom’s next publication of complaints data is scheduled for the end of March 2012.

The latest report can be found here.
Consumer harm from silent and abandoned calls reduces – as awareness of how to complain increases

Ofcom’s Consumer Experience report published in December revealed that fewer consumers are experiencing harm from silent or abandoned calls as a result of Ofcom’s action against companies who make them.

Just under a quarter of consumers (23 per cent) experienced an abandoned call during 2011, down from over a third (35 per cent) in 2009. The number of consumers experiencing silent calls has also fallen from 30 per cent in 2009 to 24 per cent in 2011.

This follows Ofcom’s enforcement action to target companies who do not comply with Ofcom’s rules.

Increase in consumer awareness of how to complain

The research also shows that although there has been a fall in the number of people receiving silent and abandoned calls, consumer awareness about the problem has actually increased.

Increased media coverage, and improvements to Ofcom’s online complaints process have also resulted in an increase in the number of complaints it receives (11,900 to the end of October 2011 compared with 9,000 in 2010).

Consumer Experience Report

Ofcom’s sixth annual Consumer Experience report looks at how the communications market delivers benefits for consumers in terms of competition, choice and price. It also evaluates how Ofcom’s work has benefitted consumers over the past 12 months.

The full report can be found here.

Own-initiative monitoring and enforcement programme:
General Condition 9 (requirement to offer contracts with minimum terms)

Ofcom has launched an enforcement programme to monitor communication providers’ compliance with a 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 will collect information from communications providers and also review relevant consumer complaints data. 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.

COMING UP...

• Statement on Relay Services and further consultation
• ADR review consultation document

COMPLAINTS DATA

Ofcom publishes complaints data to enable its stakeholders to view trends in the complaints it receives from the public about particular telecoms issues.

The complaints data for the past 12 months can be found here.

CONTACT US

We’d really welcome your views on our Consumer Bulletin. Do 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.