Ofcom has issued Guidance, clarifying the current telecoms sector rules in relation to price rises and notification of contract variations.

This Guidance sets out that:

- Ofcom is likely to treat any price increase to the core subscription price (usually a monthly charge) in a fixed-term contract as of ‘material detriment’ to consumers and small business subscribers;
- providers should therefore give consumers at least one month’s notice of any such price rise and allow them to exit their contract without penalty should they choose to do so; and
- any changes to contract terms, pricing or otherwise, must be communicated clearly and transparently to consumers.

Protection for consumers against mid-contract price rises

In October, Ofcom announced that consumers and small businesses should be allowed to exit their landline, broadband or mobile contract without penalty if their provider increases the core subscription price during the fixed term of the contract.

A fairer deal

Ofcom’s decision follows a consultation on how to give consumers a fairer deal in relation to price increases during fixed-term contracts.

Consumers have faced being treated inconsistently, with some allowed to leave their contract without penalty following price increases, while others were not.

The Guidance addresses this uncertainty and seeks to put consumers in a fairer position.

The new Guidance comes into effect on 23rd January 2014. It will apply to any new landline, broadband, and mobile contracts (including in some cases bundled contracts) entered into after this date.
Ofcom joins international taskforce to tackle number ‘spoofing’

Ofcom recently announced it is joining forces with regulators from Canada and the United States to tackle the problem of phone number ‘spoofing’.

Spoofing involves callers hiding their identity by causing a false or invalid phone number to display when making calls. It is a tactic often used by organisations carrying out unsolicited, misleading or even fraudulent telemarketing activities and can increase the harm caused to consumers from nuisance calls.

Co-ordinated international action
Calls with spoofed numbers can and do come from all over the world and account for a significant and growing proportion of nuisance calls made to consumers in English-speaking countries. International co-operation is therefore vital in addressing this complex problem.

Ofcom and the Information Commissioner’s Office in the UK, and international regulators from Canada and the United States have pledged to combine resources, share intelligence and work collaboratively to find solutions to the problem of phone number spoofing. Assistance from the telecommunications industry in each of the three countries will also be sought as part of the initiative.

This work complements Ofcom’s ongoing work to improve call and message tracing processes, as set out in its joint action plan with the Information Commissioner’s Office.

Universal postal service more secure, but targets not met

The universal postal service is moving closer to long-term financial sustainability, following improvements in performance at Royal Mail.

But Ofcom told Royal Mail in November that it must improve important aspects of the service it provides to postal users after missing key performance targets.

Ofcom’s annual monitoring update on the UK postal sector covers the year to the end of March 2013, and examines aspects of Royal Mail’s financial and operating performance, the effect of competition and the satisfaction of postal users.

Performance targets
The report shows that Royal Mail has missed some of the quality of service targets set by Ofcom to ensure high standards in the ‘universal service’, under which it must deliver to every address in the UK, six-days-a-week at a uniform price.

The company missed a requirement to deliver 93% of all First Class letters on the day after collection, reaching 91.7%.

The company is also required to meet a certain level (91.5%) of next-day delivery for First Class in almost all of the UK’s geographic postcode areas. Royal Mail achieved this level in only 62% of the required postcode areas.

Royal Mail met other targets, however, including a requirement to deliver 98.5% of Second Class letters within three days of collection. It either exceeded or narrowly missed targets relating to areas such as special delivery, parcels and delivery to the correct address.

Ofcom is concerned about Royal Mail’s failure to meet certain service targets, and has made clear to the company that it must take all necessary steps to meet these in future.

Ofcom will continue to monitor Royal Mail’s performance closely. Should it miss the targets in future, Ofcom will consider opening a formal investigation which could result in enforcement action, including the possibility of fines.
In recent months, Ofcom has progressed a number of projects to deliver an improved experience to disabled users of communications services.

**Proposal to approve first improved ‘text relay’ service**

Ofcom has taken a significant step towards improving telephone calls for disabled consumers by proposing to approve BT’s enhanced text relay service.

Text relay is a vital service as it enables people with hearing and/or speech impairments to communicate with others via the telephone. A relay assistant acts as an intermediary to convert speech to text and vice versa for the two people in conversation.

Ofcom last year said that a ‘next generation’ text relay service must be made available to all landline and mobile customers by 18 April 2014.

Ofcom mandated a series of improvements that providers must deliver by this date. The improvements will enable users to have faster, more fluent conversations as they can interject; and use a variety of devices to access the service – including easier use of text relay on the move via smartphones and tablets.

BT is the first provider to develop and seek approval for its next generation text relay service. Having assessed BT’s planned service against a series of performance criteria, Ofcom proposes to give its approval, subject to consultation.

If, following consultation, approval is granted, Ofcom understands that BT intends to provide wholesale access to its next generation text relay service for other communication providers.

BT’s service would be subject to ongoing monitoring to ensure it continued to comply with Ofcom standards.

**Next steps**

Ofcom is inviting comments on its proposal to approve BT’s application by 10 January 2014. A decision will be published ahead of the 18 April 2014 deadline when next generation text relay services must be made available to consumers.

**Subtitles audit**

More than a million people with hearing impairments use subtitles to watch television. While pre-prepared subtitling is generally of good quality viewers have made clear that there are continuing problems with the speed, accuracy, synchronisation and presentation of live subtitles.

Ofcom recently announced it will begin a regular audit of the quality of TV broadcasters’ subtitles from next year, to help improve the service for deaf and hard-of-hearing viewers.

Under measures announced in October, broadcasters will be required to measure the quality of their subtitling on live TV programmes every six months, for two years. During that time, Ofcom will regularly collate and publish the data in order to encourage broadcasters to address those aspects where quality could be improved.

**New ‘Easy Read’ mobile phone guide for people with learning disabilities**

Earlier in December, Ofcom published a guide to using a mobile phone, designed to be easily understood by people with learning disabilities.

Ofcom is the first UK regulatory body to publish consumer advice in the ‘Easy Read’ format, which makes information more accessible to people with learning disabilities.

Easy Read presents information in a clear and simple way and uses pictures to support the meaning of the text. It can also be helpful for those with a limited knowledge of the English language.

The **Easy Read guide** gives useful information on:

- the different types of mobile phone handsets available;
- the costs of mobile phone calls and ways to pay;
- free services available for disabled customers; and
- how to complain when things go wrong.

Ofcom is sending copies of the guide to every social services director in the UK. Ofcom has also secured support from organisations including Mencap and the National Autistic Society for help with distributing the guide to those people who will benefit most.
Improving mobile coverage for consumers is a priority area for Ofcom. That is why we are leading or supporting initiatives to improve mobile coverage, as part of a five point plan, published in November.

The plan outlines a number of initiatives that are designed to improve mobile coverage as well as providing consumers with quality, reliable and transparent information relating to mobile reception.

1) Paving the way for near universal 4G coverage
The recent 4G auction was designed in such a way that one provider – O2 – has to roll out 4G to cover at least 98% of the UK population by 2017. Other mobile operators have indicated they intend to match this coverage, extending mobile broadband coverage into many areas still underserved by 3G.

2) Improving existing 3G coverage
The 3G auction in 2000 only required operators to roll out services to cover 80% of the UK population. In 2010 the Government directed Ofcom to increase this to 90% and we are committed to ensuring operators meet this obligation.

3) Extending coverage into hard-to-reach areas
Even once 4G roll-out has been completed, there will still be a small percentage of homes where providing mobile services is not commercially viable. The Government is spending up to £150m on new mobile infrastructure to bring services to homes that had previously missed out.

4) Driving up quality of service through better consumer information
In 2014 Ofcom will be carrying out new research into the quality of mobile reception and coverage, which could include information such as the percentage of ‘dropped’ calls, as well as the sound quality of calls. Separately, we will be publishing the average mobile broadband speeds received by 3G and 4G customers. We believe this information will help consumers make the right choices and encourage providers to improve their performance.

5) Improving rail and road coverage
Ofcom is carrying out a detailed examination of mobile coverage on major rail routes over the coming year. Once completed, Ofcom will offer technical advice to the Department for Transport and Network Rail on how mobile coverage on roads and railways might be improved. We will also be assessing coverage on UK roads to understand whether regulatory or Government intervention may be required to achieve wider mobile coverage on roads.

Guide for parents on buying a mobile phone or tablet for their child

Ofcom recently published a guide for parents who might be considering buying their child a new mobile phone or tablet for Christmas.

The guide is designed to help parents make an informed decision about which device and deals might best suit their child’s needs.

It also offers advice on how to limit a child’s spend so parents don’t get an unwelcome surprise when the bills start arriving in the New Year, and how to ensure children are protected when using the internet.

The guide is available to download from the Ofcom website now.
Price comparison websites can assist consumers when they are choosing communications services – such as broadband, landline telephone and mobile – as well as TV services.

These sites can apply to Ofcom for independent accreditation, which gives assurances to consumers that they are receiving accurate, transparent, up-to-date and comprehensive pricing information.

**Better information for consumers**

To further improve the accuracy of the information provided to consumers, Ofcom has decided that accredited websites will now face ‘spot checks’ every three months.

Accredited websites must now also update their price comparison data at least every two weeks, down from eight, and have a fair and timely process for handling complaints.

Ofcom is also requiring accredited websites to:

- provide information on any data usage limits that apply to the services listed in their comparison search results;
- explain that internet traffic management policies may apply and include links to communications providers’ policies where available;
- explain that actual and ‘up to’ broadband speeds may vary;
- provide tools, or links to tools, for consumers to test the speed of their broadband connection; and
- alert consumers that their provider may increase the price of services and packages and that they should be allowed to exit their contract without penalty if this happens.

Currently, six price comparison websites are Ofcom-accredited. These are Mobilife, BillMonitor, broadbandchoices.co.uk, Simplify Digital, Broadband.co.uk, and Cable.co.uk.

**New logo**

Accredited websites will also carry a new logo so that consumers can recognise their Ofcom-approved status.

CONTACT US

We’d really welcome your views on our Consumer Bulletin. Please e-mail rapinder.newton@ofcom.org.uk or call 020 7783 4897 if you have any views on how we can improve the next issue.

**COMING UP...**

- Annual customer service satisfaction report
- Quarterly publication of complaints to Ofcom
- Consumer Experience Report 2013
- Switching Statement