The UK’s most comprehensive broadband speeds research reveals that the UK’s average actual fixed-line residential broadband speed has increased by over 25 per cent over the past year. The Ofcom study found that speeds have increased from 4.1Mbit/s to 5.2Mbit/s as internet service providers (ISPs) increasingly move to offer higher speed broadband packages.

It reveals that nearly a quarter (24 per cent) of UK fixed-line residential broadband connections had a headline or advertised speed of above ‘up to’ 10Mbit/s in May 2010, compared to just 8 per cent in April 2009.

However, the move to faster headline speeds has led to a growing gap between the actual speeds delivered and the speeds that some Internet Service Providers (ISPs) use to advertise their services. Differences between headline and actual speeds are often caused by broadband being delivered over copper lines which were originally designed for phone calls; hence speeds slow down over long and poor quality lines, and because of electrical interference.

Stronger Code announced

Alongside the research publication, Ofcom announced that ISPs have agreed to strengthen the Voluntary Code of Practice on Broadband Speeds which it introduced in 2008. ISPs who have signed up to the revised Code commit to give consumers a more accurate and consistent estimate of the maximum speed likely to be achievable on their line.

ISPs have also committed to help consumers improve their speeds and give consumers the option to leave their contracts early without penalty (within three months of signing up to the service) if they receive a maximum line speed that is significantly below the estimate they are given at point of sale and the ISP is unable to resolve the problem. We expect the new obligations to have been implemented by 2011, when Ofcom will be overseeing a compliance programme to test that ISPs are adhering by the principles of the revised Code.

Ofcom is also working alongside the Advertising Standards Authority (the body responsible for regulating the marketing of broadband) to consider if ISPs can describe...
their services more accurately than at present, perhaps referring to a typical speed based on their own average performance.

Ed Richards, Ofcom Chief Executive said: ‘Ofcom’s research shows that average speeds have increased which is good news, but there is scope for a further step change in the quality of the UK communications infrastructure. ‘Actual speeds are often much lower than many of the advertised speeds which makes it essential that consumers are given information which is as accurate as possible at the point of sale; this is what the new Code is designed to deliver.’

The detail of the 2010 research and the new Code can be found here.

New help for consumers to resolve complaints

Ofcom is to make it easier for consumers to get help resolving complaints about their phone and internet service.

Last year around 3 million consumers faced unresolved phone and broadband complaints after 12 weeks. That’s despite being able to take their complaint to one of two free Ofcom-approved resolution services – CISAS and Otelo. Three quarters of those consumers were even unaware that a resolution service existed.

Dispute resolution service

So from next year communications providers will have to include information of the relevant dispute resolution service on all paper bills. They will also have to write to consumers whose complaints have not been resolved within eight weeks to inform them of their right to take their complaint to a dispute resolution service.

Minimum standards for complaints handling

Ofcom is also establishing a single mandatory Code of Practice with minimum standards for how providers must handle complaints from consumers.

The Code of Practice will provide consistency in standards and will give Ofcom powers to take enforcement action against those providers who do not treat complainants fairly.

The Code will require providers to ensure the fair and timely resolution of complaints, and have procedures that are transparent and accessible so that consumers can easily find out how to make a complaint.

The new Ofcom Code of Practice will come into force on 22 January 2011. The new requirements to improve awareness of dispute resolution services will come into force on 22 July 2011.

For more information on the new rules, click here.

Ofcom opens debate on net neutrality

Ofcom has published a discussion paper on the practice of internet traffic management, a technique used by internet service providers (ISPs) to control traffic over the web.

This practice may allow network operators and ISPs to handle traffic more efficiently, to prioritise traffic by type, to guarantee bandwidth or to block or degrade the quality of certain content. However, it has also led to concerns that network operators and ISPs could engage in anti-competitive behaviour and suppress the quality of content from some provider services.

Ofcom has some existing powers and duties which could be applied to traffic management, for example, by requiring suppliers to be transparent about their traffic management practices. These will be strengthened by amended EU rules that will be transposed into UK law in 2011. In addition Ofcom has existing competition powers that may be relevant.

The purpose of the paper is to open up a discussion on how these existing and future powers might be used to address traffic management concerns and what stance Ofcom should take on any potential anti-competitive discrimination. It also raises questions about transparency and consumers’ awareness of the traffic management policy of the broadband service they have paid for.

Ofcom is seeking preliminary views on the issues raised in its discussion paper. It will also conduct a series of roundtables with industry, citizen and consumer groups over the summer.

The discussion paper can be found here.

(The closing date for responses is 9 September 2010)
Cheaper charges for UK consumers to end phone contracts

Charges that consumers face for leaving their landline phone contracts early will be cut by as much as 85 per cent, Ofcom has announced.

Over the past 18 months, Ofcom has been working with the three biggest UK landline providers, BT, TalkTalk and Virgin Media, to ensure that the charges they levy when customers end their contracts early (early termination charges), reflect the costs that the providers save by no longer providing the service.

Communications providers have obligations to meet under the Unfair Terms in Consumer Contract Regulations 1999 (the Regulations). Ofcom’s interpretation of the Regulations is that consumers who end contracts early should never have to pay more than the payments left under the contract – in fact they should often pay less, to reflect the costs providers save because the contract ends early.

Ofcom published a statement about its view of the law in December 2008, and opened a monitoring and enforcement programme in early 2009 to check whether communications providers’ terms and conditions comply with the Regulations.

BT, TalkTalk and Virgin Media do not believe their early termination charges were unfair. But, after constructive discussions, they have agreed to significantly reduce those charges for landline (or landline plus broadband) services. Ofcom is pleased they have taken these positive steps in the interests of consumers.

For more information on the details of the early termination charges for popular packages, click here.

Homephonechoices.co.uk earns Ofcom accreditation

Ofcom has announced that Homephonechoices.co.uk has been awarded accreditation for its price comparison service.

The Ofcom price accreditation scheme logo is awarded to websites that have had their price comparison services put through a rigorous independent audit. The audit checks whether the information provided to consumers is accessible, accurate, transparent, comprehensive and up to date.

Ofcom research shows that 54 per cent of home phone users are more likely to shop around if there is information available to calculate the cheapest supplier based on usage and 50 per cent are more likely to trust an accredited price comparison website.

For more information on what the accreditation status means for consumers, please click here.

Ofcom to investigate Talk Talk

Ofcom has opened an investigation to consider whether the TalkTalk Group has contravened General Condition 11.1, which prohibits Communications Providers from billing customers for services that have not been provided.

The opening of this investigation follows an increase in the number of complaints received by Ofcom’s Advisory Team alleging that they have been billed by the TalkTalk Group for services that have been cancelled.

Details and updates about the investigation are published on our website here.
Ofcom makes two new pan-European 116 phone numbers available in the UK

Ofcom is making two new pan-European 116 numbers available in the UK. 116 numbers were introduced last year so that people can call helplines using the same memorable number regardless of which EU country they are in.

Three 116 numbers were made available last October and the two further numbers now being available are:

- 116 006 which will be used as a helpline for victims of crime. This will be a freephone service where calls to this number will be free unless a pre-call announcement tells the caller that a charge applies. This is often the case with calls made from a mobile.

- 116 117 for a non-emergency medical on-call service which will always be free of charge in the UK, whether made from a fixed line, mobile or public phone box.

In October last year, Ofcom selected the organisations to provide services on the first three 116 numbers: Missing People (116 000), NSPCC (116 111) and Samaritans (116 123).

Those 116 numbers run alongside the three organisations’ existing helpline numbers. Calls to the three numbers are free of charge in the UK, whether made from a fixed line, mobile or public phone box.

For Ofcom’s statement on making these numbers available for allocation in the UK, click here.

Quicker mobile number transfers for consumers

Ofcom has announced that as from next year, mobile customers will be able to transfer their number to a new provider in just one working day rather than the current two days.

In 1999 it used to take consumers up to 25 days to switch their number to a new provider via a fax-based system. Nowadays, web-based systems mean that faster switching times can be achieved.

The new regulations, which will require mobile operators to make changes to their systems and processes, will come into force on 11 April 2011.

The new regulations also require the PAC that consumers need to switch provider and keep their number to be issued either immediately over the phone or within a maximum of two hours by text message. The time and way in which PACs are issued currently varies with some PACs only issued by letter, which can take several days to arrive.

Ofcom Chief Executive, Ed Richards, said: “Ensuring consumers can switch between communications providers by removing unnecessary barriers is one of Ofcom’s priorities for 2010/11. Being able to switch quickly and easily between mobile providers is an important part of healthy and effective competition.”

The full statement can be found here.

Complaints data

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

The figures show complaints data about the following issues:

- Fixed line mis-selling
- Early termination fees
- Silent Calls
- Broadband migrations – Tag on the line
- Broadband Migration Authorisation Codes (MACs)
- Mobile mis-selling
- Broadband speeds
- Customer Services

The complaints data can be found here.

We’d really welcome your views on our Consumer Bulletin. Do e-mail john.o’keefe@ofcom.org.uk or call John on 020 7981 3568 if you have any views on how we can improve the next issue.