New rules about how communications providers handle complaints from their customers came into force on 22 January 2011.

The new rules, which enable Ofcom to take enforcement action for failure to comply, should improve the transparency and accessibility of providers’ complaints procedures and make it easier for consumers to get help when trying to resolve their complaint. All communications providers now have obligations to ensure the fair and timely resolution of complaints and to have procedures that are sufficiently transparent and accessible so that consumers can easily find out how to make and progress a complaint. From January all providers have also been required to publish a standalone Customer Complaints Code that provides information on the rights of consumers when making a complaint, relevant contact details, information about internal escalation procedures and timeframes in which the provider will endeavour to resolve the complaint and reply to the consumer, as well as information about the availability of an independent and free Alternative Dispute Resolution (ADR) service.

Additional rules will come into force from 22 July that will require providers to take further steps to inform their customers of ADR — including putting information on the back of customer bills and individually writing to those consumers whose complaints have not been resolved within 8 weeks.

In January, Ofcom opened an industry-wide monitoring and enforcement programme into the advertisement and sale of international calling cards. Ofcom also published research which showed that consumers were often confused about the charges and terms and conditions of international calling cards.

Widely used by the UK’s large immigrant population looking to make cheap overseas calls, more than 5 million UK adults use international calling cards.

The research, which covered a period of two months, looked at cards supplied by the: The Post Office, IDT, Tesco, Connect, Nobel, Story, Nowtel, Lycatel and iCard.

The research found that 10% of newly purchased cards could not be activated at all and customer services could not resolve this satisfactorily. It also found that overall actual minutes of calls, once charges have been applied, were 28 per cent of advertised minutes and varied significantly between companies and brands.

The full research can be found here.

Under the monitoring and enforcement programme, Ofcom will examine the terms and conditions and advertising practices of international calling card providers and may take further action if required.
Tackling consumer confusion over call charges

Ofcom published proposals in December which aim to tackle consumer concern and confusion over the cost of calling businesses and other organisations on numbers such as 03, 08, 09 and 118.

The proposals are based on new powers which will be introduced as a result of revised European telecoms legislation.

Under the proposals there would be clear categories of numbers:

- 01, 02 and 03 – geographic rates;
- 07 – mobile rates;
- 0800 – free from landlines and mobiles. Under the proposals calls to 0800 numbers will be free from mobiles; it currently costs up to 40p a minute to call an 0800 number from a mobile;
- 0843/4 and 5 and 0871/2 and 3 – business rate, lower cost; and
- 090/091/098 – premium rate, higher cost.

Ofcom is also proposing to change the price structure of non-geographic calls by requiring the two elements of a call – the phone company’s charge and the charge made by the business or organisation being called – to be presented transparently and separately to consumers.

Consumers would be able to use this information when choosing between different phone offers by comparing call bundles. Providers of the service would also be able to communicate clearly the call prices so consumers can make straightforward comparisons. More transparent prices should encourage competitive pressure and help keep prices down for consumers.

Under Ofcom’s proposals, consumers would also be advised of the cost of non-geographic calls when buying a new phone service. Advertising should state the amount charged to call the service which would be added to the amount charged by the phone company. This should reduce uncertainty by improving transparency, boost consumer confidence and increase competition.

The consultation can be found here.

Ofcom’s Consumer Experience report reveals challenges remain in the communications market, but complaints fall

Challenges such as landline mis-selling, switching, broadband speeds, silent calls and complaints handling remain in the communications market, however complaints to Ofcom about telecoms services fell by almost 20 per cent per cent over the past four years, according to Ofcom’s annual Consumer Experience report.

The report also reveals that broadband take-up has increased significantly among older people, and that more people say that they intend to get the internet in the next 12 months.

Ofcom’s fifth annual Consumer Experience Report reveals how the communications market has matured in the last five years, delivering significant benefits for consumers with advances in competition, choice, take-up and lower prices. The report also outlines the main challenges Ofcom needs to address in the communications market to ensure that consumers can get the most from choice and competition in the sector.

Business Consumer Experience

Ofcom published research into how business consumers use telecoms services and how satisfied they are with them.

The research found that almost four in five (78 per cent) of business consumers regularly work out of the office, either at home and/or while travelling, and over half (58 per cent) are using mobile phones to access emails and the internet.

The majority (68 per cent) expect their spend on communications services to remain stable over the next 12 months, and 22 per cent expect an increase, suggesting that communications services budgets are remaining intact despite the economic climate.

The Consumer Experience and Business Consumer Experience reports can be found here.
Research published into Text Relay services

Research to assess how well the current Text Relay service is working for people with hearing and/or speech difficulties in the UK was recently published by Ofcom.

The research aimed to assess, amongst other things, the existing Text Relay service and alternatives to it, to understand which of the features of the service are important and which additional features, if any, would be desirable.

The independent research was conducted by Opinion Leader and found that people valued the Text Relay service but considered improvements could be made to it to enable more natural real time conversations, for instance by allowing interruptions to conversations to be made more easily.

It also found that many participants believe that additional relay services would be useful for them, such as Captioned Telephony and Video Relay for British Sign Language users, and that whilst people with hearing and/or speech difficulties make use of a wide variety of communications services (e.g. sms and email), the range of methods used to communicate with businesses and organisations is narrower.

Ofcom will consider the research and will publish a consultation setting out proposals for the future of the Text Relay service in spring 2011.

The full research can be found here.

Ofcom warns industry as new silent calls rules come into force

Ofcom warned industry to comply with new regulations to clamp down on silent calls or face enforcement action, which could include fines of up to £2million.

New rules came into force on 1 February which are designed to prevent consumers being harassed by repeated silent calls from the same company.

Ofcom has written to the call centre industry spelling out the regulations which place restrictions on the use of automated dialling equipment.

Complaints about silent calls

Ofcom received over 9000 complaints in 2010 about silent calls. Over 70 per cent of consumers say that they have received two or more calls in a day from the same company. These silent calls were often over a period of days or even weeks.

Ofcom believes that this is mainly due to technology used by call centre operators to detect answer machines. This can mistake a ‘live’ consumer for an answering machine and cut off the call without the person hearing anything, resulting in a silent call.

The new rules will prevent a company using answer machine detection equipment more than once a day if an answer machine is ‘detected’ on the first attempt. This would mean that the most affected consumers should no longer receive repeated silent calls from the same company over the course of a day.

Ofcom will continue to monitor complaints about silent and abandoned calls and expects to see an overall reduction in the number of complaints. Ofcom will also continue its programme of enforcement and may take action against companies found to be in breach of the rules.

The new rules can be found here.

The letter to industry can be found here.
Ofcom opens investigation into TalkTalk for landline mis-selling

Ofcom has opened an investigation to consider whether TalkTalk Group has contravened General Condition 24, which prohibits Communications Providers from mis-selling fixed-line services.

On 19 November 2010, Ofcom opened the investigation into TalkTalk Group following complaints from consumers who claim to have been mis-sold a fixed-line telephone service or have had their service switched to TalkTalk Group without their consent. Details and updates about the investigation are published on our website here.

Ofcom finds TalkTalk and Tiscali in breach of rules to protect consumers

Ofcom’s investigation found that TalkTalk and Tiscali UK breached telecoms regulations by issuing bills to consumers for services that were not provided. Both companies issued bills for services consumers had cancelled.

On 2 November 2010, Ofcom issued TalkTalk and Tiscali UK – which are both part of TalkTalk Group – with a legally-binding Notification requiring them to comply with the rules, known as a ‘General Condition’, by 2 December 2010 or face further enforcement action. The maximum penalty is a fine of 10 per cent of relevant turnover.

TalkTalk Group had until 2 December to make representations to Ofcom about the matters set out in the Notification, to comply with the relevant rule and to remedy its breach of that rule.

Ofcom investigates landline provider, KCT, in relation to its selling practices

Following an increase in complaints to Ofcom from consumers about being mis-sold landline services or having their existing services switched by KCT, Ofcom has opened an investigation into KCT UK Limited.

The investigation will examine whether there are reasonable grounds to believe that Cheshire based company, KCT, has failed to comply with the rules concerning the prohibition against mis-selling (General Condition 24.3) and the provision of information at the point of sale (GC24.6). The investigation will also look at whether KCT has cancelled the orders of customers who want to transfer to another provider, without the customers knowledge of consent (GC24.14).

Details and updates about the investigation are published on our website here.

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.