

November 2013



## Panel bulletin

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### This month...

#### Panel highlights customer service recommendations made in "Going Round in Circles?"

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This month the Panel has been raising awareness around the UK of its new research [\*Going round in circles? The consumer experience of dealing with problems with communications services\*](#) and associated recommendations.

Panel Chair, Jo Connell discussed the report with Ofcom's Advisory Committee for Wales, while Members Chris Holland, Mairi Macleod and Libby Kinney highlighted findings and recommendations with the Advisory Committees in England, Scotland and Northern Ireland respectively.

Bill Dutton, Chair of the England Committee and Professor of Internet Studies at the University of Oxford commented "Throughout my participation in the Advisory Committee for England, the committee has been trying to address the many issues confronting consumers trying to deal with problems with various communication services. So it is very good to see a report based on good qualitative research that illuminates these issues... the report struck me as consistent with many issues raised over the years and I would recommend it to anyone with a serious concern over how to improve the processes involved in addressing these problems."

The Panel has urged the communications industry to raise the level of customer service it offers and will be discussing the research, findings and recommendations with communications providers and Ofcom over the coming months. Following the issues highlighted by the research, and our own subsequent exploration of the issues, the Panel has made recommendations in five key areas:

- The provision of information
- Review and strengthen contact centre staff training
- Improving the consumer contact experience
- Provide greater support for older and disabled consumers
- Review and strengthen escalation and ADR referral processes

Read more about the report and the Panel's detailed recommendations [here](#)

## Improved accreditation for price comparison websites

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The Panel has welcomed Ofcom's announcement that it has introduced improvements to its voluntary accreditation scheme for price comparison websites, to help consumers when they are choosing a new service or switching.

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 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.

### New logo

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

The changes follow a [review of the Price Comparison Website Accreditation Scheme](#), which generally found it to be working well.

You can read the Panel's response to the consultation [here](#)

## Government use of higher rate telephone numbers - new PAC report

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The Public Accounts Committee published its latest [report on charges for customer telephone lines](#) on November 12, 2013. The Committee noted that:

- In 2012-13 central government handled at least 208 million telephone calls. The Department for Work and Pensions received 100 million calls and HM Revenue and Customs received 68 million calls. Some 63% of calls to central government were to higher rate telephone numbers.
- The estimated cost to callers of these calls in 2012-13 was £56 million. Callers to higher rate lines paid £26 million in call charges while waiting to speak to an adviser. Costs of phone calls using 0845 or other higher rate phone numbers hit the poorest the hardest, particularly because they are most likely to be using mobile phones where the charges are even higher.
- Departments do not have a clear idea of the extra revenue generated from higher rate numbers. Despite Cabinet Office guidance, departments do not monitor the call revenues that third party providers receive.
- A piecemeal approach by departments to customer telephone lines has produced a confusing and inconsistent system for charging callers. The Cabinet Office admitted that it has played no role in monitoring or co-ordinating government telephone lines since it last issued guidance in 2010, which departments appear to have ignored.
- In March 2013, 120 of the 365 customer telephone lines across central government (33%) used higher rate numbers, 205 used less expensive geographic or equivalent numbers and 40 were Freephone numbers.
- The Cabinet Office recognises that the current situation is unacceptable and told the Committee that it had recently established a working group that would prepare new principles for telephone use within six to eight weeks of our hearing.

Commenting on the government's use of higher rate phone lines, Panel Chair Jo Connell said, "It's perturbing that some of the potentially most vulnerable in our society - the elderly and those seeking employment - are being penalised via high phone charges by the very departments that are there to assist them. The Panel will be looking to engage with government to work towards a solution which minimises consumer and citizen detriment."

The Committee has made recommendations in four key areas:

- A piecemeal approach by departments to customer telephone lines has produced a confusing and inconsistent system for charging callers. **Recommendation:** The Cabinet Office must urgently establish clear principles on charging for telephone calls, providing access to low cost alternatives to high rate numbers particularly for services accessed by vulnerable people and informing callers of the costs involved. These principles should also apply to arms-length bodies (like the Student Loans Company) and private contractors delivering public services. The Cabinet Office must also set out how application of these principles will be monitored and enforced in practice.
- Higher rate telephone lines have a disproportionate impact on vulnerable and low-income groups who are deterred from calling, limiting access to essential services. **Recommendation:** The Cabinet Office should mandate that telephone lines serving vulnerable and low-income groups should never be charged above the geographic rate and ensure that 03 numbers are available for all government telephone lines within 6 to 12 months, prioritising any which predominantly serve vulnerable and low-income groups.
- Customer service levels are unacceptable and calls take too long to answer.

**Recommendation:** The Cabinet Office should establish the principle that public service performance is always measured against industry standards of customer service.

Departments should be required to publish on an annual basis their performance against industry standards and where there are shortfalls set out what steps they are taking to improve service levels.

- Departments' arrangements with telephone service suppliers lack the transparency needed to demonstrate whether value for money is being achieved. **Recommendation:** The Cabinet Office must require open-book arrangements for all government contracts where suppliers generate extra money from higher rates. Contracts should require a consistent set of metrics so performance levels can be compared. The Cabinet Office should establish transparent benchmarking arrangements to help departments achieve value for money.

The Rt Hon Margaret Hodge MP, Chair of the Committee, said: "Customers of Government services should be able to contact those services easily and cheaply. Charging customers higher rates by making them use 0845 or other high rate numbers is not acceptable, especially when the customers are often vulnerable people.

"We found that 1/3rd of customer telephone lines across Central Government used higher rate numbers. Half of those lines serve the poorest people. Customers spent an estimated £56 million on calls using higher rate numbers, from the lines run by the Department for Work and Pensions, to helplines for victim support and the Bereavement Service and the inquiries and complaints line of the Student Loans Company.

"The Cabinet Office has not played a role in establishing clear principles for charging. We welcome its commitment to do so urgently and it should then ensure those principles are met across Government. We also welcome DWP's commitment to phase out the use of 0845 numbers for its customers. There should be low cost alternatives for all services used by a lot of vulnerable people.

"Callers must be informed of the costs involved in calling a particular number. Costs to callers can be even higher when they are left waiting to speak to someone. Performance by departments varies but is often astonishingly bad. HMRC managed to answer only 16% of the calls it received on its tax credits helpline on the deadline day for notifying the department of changes of circumstances."

## Ofcom proposes to approve first 'text relay' service

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The Panel believes that text relay is a vital service as it enables people with hearing and/or speech impairments to communicate with others via the telephone. Last year, Ofcom said that a 'next generation' text relay service must be made available to all landline and mobile customers by April 2014.

Ofcom is inviting comments on its proposal to approve BT's enhanced text relay service.

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](#), which closes on January 10 2014.

## 3G coverage compliance

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Ofcom have published the outcome of an [assessment](#) of whether the UK's major mobile phone networks are meeting their 3G coverage obligation, which requires them to provide coverage to at least 90% of the UK population.

Ofcom's [assessment](#) of each operator's compliance with the coverage obligation is that EE, Three and O2 have met this obligation but the Panel was concerned to note that Vodafone fell 1.4% short of the 90% coverage requirement. Following discussions with Ofcom, Vodafone has put in place a plan to bring itself into compliance with the 3G coverage obligation by the end of 2013.

Ofcom is leading or supporting initiatives to improve mobile coverage, as part of a [five point plan](#). 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.

The Panel will monitor developments in this area and hopes to see coverage reach the agreed level by the end of 2013.

## New model suggests median household will require bandwidth of 19Mbps by 2023

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The Broadband Stakeholder Group (BSG) has published a report outlining a new way for measuring and forecasting demand for bandwidth in UK homes. The Group called for greater policy attention to be given to how demand relates to infrastructure provision. The model for forecasting bandwidth demand, used in the BSG's report, combines the usage profiles of various applications with the usage of profiles of individuals.

This model indicates that the median household will require bandwidth of 19 Mbps by 2023, whilst the top 1% of high usage households will have demand of 35-39 Mbps. These speeds are lower than those previously cited regarding future capacity needs and the report highlights reasons why this might be the case:

- 64% of UK households comprise one or two people and therefore there is a natural limit to the online activities of these majority households.
- The bit rate for a given quality of video has fallen steadily over time and will continue to do so due to improvements in compression techniques. As such the model assumes an annual improvement in compression of 9% for SD, HD and 4K TV.
- Traffic volume forecasts (which continue to predict rapid and continued growth) are different to what might be expected for bit rate. Video is a considerable driver of traffic and broadband usage but is relatively less important in bit rate terms. Existing access networks could potentially absorb greater amounts of traffic without upgrade.

Pamela Learmonth, CEO of the BSG said: "In publishing this report we are not presenting a magic number for desired bandwidth speeds one decade out. Rather, we are demonstrating

that to facilitate an informed policy debate around whether broadband infrastructure in the UK will enable consumers to do what they want over time, then we need to develop a better evidence base.”

The full report, underlying model and other associated papers can be accessed at:

<http://www.broadbanduk.org/forecastingdomesticdemand>

## Nuisance calls and texts cause harm new research reveals

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More than three million Britons have been left afraid to answer the phone as a result of unsolicited marketing calls or text messages according to a new report from StepChange Debt Charity.

The charity’s [Got Their Number](#) report (pdf) and supporting campaign aims to highlight the potentially serious harm caused by nuisance calls and messages.

Key findings of the report include:

- Nearly 8.8 million British adults find unsolicited marketing calls or text messages stressful or they make them anxious
- Almost 26.3 million British adults have been offered high-interest credit (e.g. payday loans) via unsolicited marketing calls and texts
- Just over 45 million British adults have received unsolicited marketing calls or texts
- Six per cent of respondents to a stepchange.org website poll said that as a result of a nuisance call or text they had taken out a financial product or service that worsened their financial position
- 81 per cent of respondents to the stepchange.org website poll said they didn’t always know when they’d given consent for their data to be passed on
- Just over 13.4 million British adults have received a call or text message about debt collection
- Firms are under no obligation to inform consumers which companies their personal information may have been passed to.

Further details can be found on the StepChange [website](#).

## Update on UK postal sector

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Ofcom’s annual monitoring update on the UK postal sector shows that the universal postal system is moving closer to long-term financial sustainability following improvements in performance at Royal Mail. However, Ofcom has told Royal Mail that it must improve important aspects of the service it provides to postal users after missing key 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. This is an important target because it requires the company to provide a good level of service across the UK, and not just in more densely populated 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 report that it 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. It 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.

The full report can be found on [Ofcom's website](#).

## Consultation on Ofcom's mobile strategy

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This month Ofcom published [a consultation on its Mobile Data Strategy](#).

The objective of the consultation is to identify and prioritise actions which Ofcom could undertake to facilitate the continued long term growth in consumer and citizen benefits from increasing use of mobile data services.

The document considers the challenges that rapidly growing demand for these services could raise and what this may imply for Ofcom's work over the coming years. In particular, it identifies a number of spectrum bands where it thinks further work should be carried out to consider their potential future availability for mobile data use, whilst recognising the many other competing demands for spectrum.

The consultation closes on 30 January 2014.

## PhonepayPlus publishes new guidance on digital marketing

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PhonepayPlus has issued new [guidance](#) on digital marketing and promotions for the premium rate services industry. It notes that:

The digital marketing of PRS is increasingly prevalent. Whilst this is a very natural progression and, in most instances, entirely compliant with the Code, PhonepayPlus has noticed, both through Tribunal adjudications and complaint numbers, that certain practices might be found to contravene the Code. Practices of concern are likely to be found to contravene one (or more) of three outcomes in the Code: 'transparency', 'fairness' and 'privacy'. This Guidance is designed to assist PRS providers in ensuring that their digital marketing meets



PhonepayPlus' expectations in relation to compliance with the Code.

The main issues for providers to be aware of are:

- Pricing information
- Misleading promotions
- Attracting consumers on false pretences
- Further information should be made available to consumers upon request.
- The right to privacy

PhonepayPlus states that providers also need to ensure that they have adequate control over marketing that is done on their behalf by third parties, such as affiliate marketers.

## Internet Citizens 2013

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At the beginning of the month, Ofcom published [Internet Citizens 2013](#), a report on UK adults' participation in online content and services which further societal or democratic participation.

The research considers the extent and nature of online engagement with government websites, e-petitions, health services, public service broadcasting, news, hyperlocal sites, citizen journalism, cultural activity and libraries. The study finds that:

- Nearly half of internet users aged 15+ use any kind of government website;
- Four in ten use any kind of health information website;
- More than half visit blogging websites;
- Two in five have participated digitally in some type of cultural activity, such as visiting the websites of theatres, museums or galleries.

Read more about the report on Ofcom's website [here](#)

## Update from the CFC

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Several CFC participants have been closely involved with efforts to reduce the problem of unwanted calls and texts. On 5 November, new CFC member [StepChange](#) held a launch event for its new research report [Got Their Number: Ending the harm caused by nuisance calls and texts](#) and this followed publication of the [report](#) of the All-Party Parliamentary Group on nuisance calls, supported by Which?, containing 16 clear recommendations for action. We're now waiting for the Culture, Media and Sport Select Committee [Inquiry into Nuisance Calls](#). DCMS itself has agreed to make the work of the two main enforcement authorities, ICO and Ofcom, easier by allowing them to share information; it's still considering ICO's request to be allowed to proceed against supposed offenders on the basis of widespread nuisance, rather than having to show "substantial damage or substantial distress".

On 15 November, a group of CFC members met with DCMS staff to discuss developments relevant to the strategy paper [Connectivity, Content and Consumers](#) that was published in July. Issues discussed included internet content, consumer representation and advocacy in the digital communications sector and RNIB's and the deaf-blind charity Sense's concerns around the accessibility of video on demand material. Members are also considering the European



Commission [Connected Continent proposals](#) for further streamlining and harmonising telecoms regulation across Europe. For more information on the CFC's work please [email Claire Milne](#).

## Scandinavian countries top annual Web Index rankings

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The World Wide Web Foundation has published the latest edition of its Web Index, the world's first multi-dimensional measure of the World Wide Web's contribution to development and human rights globally.

Sweden tops the table with Norway, the UK and the US in second, third and fourth respectively. New Zealand completes the top 5.

The report highlights that Sweden is best in the world at putting the Web to work in 2013, topping the Index for the second year running. The Web and Social Media are also increasingly driving real world change. However, unequal access to knowledge and speech online denies millions the necessary tools for free and informed participation in public life. Censorship and surveillance are on the rise and pose a severe threat to the Web's future. Further details on the Web Index can be found [here](#).

## Developments in call centre and network answerphone detection

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A new [report](#) (pdf) by Ofcom reviews developments since 2009 that affect the use of Answer Machine Detection (AMD) in outbound call centres and the resulting consequences of these developments for consumers.

AMD is designed to provide efficiency benefits for call centres by detecting network based answering services and physical plug in answering devices but its use can also result in silent calls for consumers. This occurs when a live response is mistaken for an answering machine and the call is terminated.

The report describes recent developments and draws conclusions about the current situation as an input to Ofcom's wider consideration of this topic.

Read the report on Ofcom's website [here](#) (pdf)

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