

Communications Consumer Panel and ACOD response to Ofcom's letter to stakeholders on its review of the regulation concerning complaint handling and dispute resolution in the postal market

The Communications Consumer Panel (the Panel) and the Advisory Committee on Older and Disabled People (ACOD) welcome this opportunity to respond to Ofcom's invitation to stakeholders to give views on its review of the regulation concerning complaint handling and dispute resolution in the postal sector. The Panel works to protect and promote people's interests in the communications sector. We are an independent body set up under the Communications Act 2003. The Panel carries out research, provides advice and encourages Ofcom, government, the EU, industry and others to look at issues through the eyes of consumers, citizens and microbusinesses.

The Panel pays particular attention to the needs of older people and people with disabilities, the needs of people in rural areas and people on low incomes, and the needs of micro businesses, which have many of the same problems as individual consumers. Through its Members, the Panel represents the interests of consumers in Scotland, Wales, Northern Ireland and England. Following the alignment of ACOD with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

In the interests of transparency, we would like to declare that one of the Panel Members is the Chairman of the Postal Redress Service (POSTRS) Council.

Introduction

Although we have not been alerted to any major problems with complaints handling in the postal sector, that does not mean that there isn't room for improvement - and we're glad that Ofcom is seeking views on the subject.

We have previously raised broader concerns about complaint handling and customer service, based on the findings of our research into the consumer experience of dealing with problems with telecommunications services. Following a review of both existing quantitative studies and new independent qualitative research, the Panel published its report '*Going round in circles? The consumer experience of dealing with problems with communications services*'¹. We made a number of recommendations which have been discussed with relevant providers and Ofcom.

In terms of complaint handling and clarity of consumer information, we are not convinced that the distinction between "postal operators" and "regulated postal operators" is helpful (or even meaningful) to consumers. Regardless of whether a postal service is regulated or not, we would argue that all postal consumers/users are entitled to a universal and

¹ <http://www.communicationsconsumerpanel.org.uk/going-round-in-circles/going-round-in-circles>

consistent set of complaint handling standards. This is so that they know what to expect, and what to do if they are unhappy with the service they have received.

We would also highlight the needs of vulnerable consumers and how important it is that they have easy access to redress when they need it.

Question 1: Do the existing complaint handling regulations (both CP Conditions 3.2 and 3.3) allow consumers to have access to information that enables them to:

a) complain effectively to their postal operator

We have not seen any research that suggests that there is a problem for consumers in having access to information that enables them to raise a complaint about their postal operator, but perhaps this is an area for research by Ofcom.

(b) where dissatisfied with the outcome, take their complaint to ADR (only relevant for regulated postal operators)

The distinction between regulated and non-regulated postal operators suggests that users of non-regulated "postal operators" may enjoy a less comprehensive level of complaint handling protection than other consumers.

The obligations on non-regulated "postal operators" seem lighter, but we are not sure what the justification is for this, or how this sits with the introduction of the new ADR Directive. We would appreciate more clarity on this and ask if all postal operators should have an ADR scheme available, even if it isn't compulsory to use it.

We would highlight that there are relatively low levels of escalation to ADR (to the POSTRS). The POSTRS annual report 2013 (published April 2014) notes that the number of contacts in 2013 was 421. This may suggest that processes are not as effective as they could be or that the regulated providers are addressing the concerns of dissatisfied consumers and so people have little need of ADR. In any event, the low volumes may warrant further analysis by Ofcom. Low awareness of ADR is certainly an area of concern in the telecoms sector. We also note the very high level - 72% of complaints - that were decided in favour of the provider by the adjudicator.

Question 2: Are the obligations upon regulated postal operators, as set out at CP Condition 3.3, balanced and fair, whilst allowing consumers to have access to the information (as described in Q1)?

We believe the obligations in CP Condition 3.3 could be strengthened in places:

- CP3.3.2 (c) - this should be expanded to include enabling customers to make contact via their preferred routes - e.g. text relay. We would also like to see an explicit obligation to provide a free contact number for complaints - or at the very least no more than a local rate call charge. The Consumer Rights Directive, which has been in force since June 2014, requires that where a seller offers a helpline number, a consumer should not be obliged to pay more than the basic rate to

contact the seller about something they have bought. As a consumer of a postal service can be a sender or an addressee, we would like to see the obligation extended to addressees who wish to make a complaint.

- CP3.3.10 - This should be extended to include nominated third parties in particular circumstances - these are the very occasions when consumers need as little stress as possible.
- CP3.3.11 (a) - "reasonable" is a subjective word - we would like this to be phrased "publish its complaints handling procedure prominently".
- CP3.3.17 - This would benefit from a requirement to publicise the redress scheme, and signpost it on the regulated postal operators' websites and at physical locations visited by consumers.

Question 3: Being mindful that CP Condition 3.2 lays down the minimum level of complaint handling requirements, should there be any additional requirements upon all or certain types of postal operators? If yes, then what should those requirements be? For example, should there be a requirement to provide contact details for the Citizen's Advice consumer helpline?

We recommend the simplest approach: one set of requirements for all operators.

It may be that some of the reporting requirements could be eased for smaller providers, but in principle if the requirements for regulated operators are good for their consumers, then they are good for all postal consumers. So all providers should provide information about helplines, their own processes - including escalation - and ADR.

Question 4: In your opinion, is the definition of regulated postal operator still relevant today? If not, please support your views and set out how you propose that postal operators should be differentiated, if at all.

No - please see our comments above. In other areas there may be a case for non-regulation of certain types of operators, but where consumers are basically buying the same or a similar product/service (i.e. delivery of a physical item), we believe there is a case for a common set of standards to help ensure consistency and consumer protection.