

## **Response to Consumer Panel comments on draft ADR consultation document**

### Roger Darlington

1. A list of members of Otelo and CISAS have been included in the annex.
2. Level of penalties. We would expect most awards to be less than £500, as many of the disputes relate to very small amounts. ADR schemes are supposed to take account of what is fair and reasonable in all the circumstances – and they must act impartially. The maximum level of award £5,000 far exceeds the amount of the majority of claims and aligns to the maximum award that can be obtained through the small claims court. Given that 80% of complainants accept the awards made, many of which are non-pecuniary, we consider the level of awards is reasonable.
3. In para 6.18 reference is made to a 50:50 split between those who are happy with the schemes and those who are not., whereas fig 8 of Continental Research's report suggests a satisfaction rating of 68% for Otelo/CISAS. The 50/50 split is based on verbatim comments ie whether someone gave a broadly positive or broadly negative response (as compared with the quantitative responses to the survey question ie are you very satisfied/fairly satisfied etc). Both are based on very small sample sizes and should be interpreted with caution.
4. Similarly the level of satisfaction with OCC (55%), lower than for the ADR schemes, is based on a very small sample size. Given that the sample would have only included those who would have been redirected elsewhere (either back to the provider or to the ADR scheme) this would affect their perception of OCC. It would be necessary to compare these findings with more comprehensive surveys of OCC in order to take a view.

### Colette Bowe

1. Having considered the way in which the two schemes are constituted and their governance structures, we do not feel that this impacts substantially on the service provided to the consumer. A section has been added to the report, referring to the British and Irish Ombudsman Association (BIOA) of which both CISAS and Otelo are now members. The criteria for membership of BIOA are very similar to those criteria we apply for approval of the Schemes – independence, effectiveness; fairness and public accountability.
2. The report highlights at some length the shortcomings of the comms providers in their complaint handling processes and this will be reflected in the press release announcing the publication of the report. Ofcom has stated that it intends to take enforcement action where necessary and [REDACTED], our Compliance Director, is fully supportive of this approach. During the consultation period we intend to work closely with CISAS and Otelo to encourage them to strengthen their rules and monitor compliance. If providers fail to comply they risk expulsion from the Scheme in which case Ofcom intends to act swiftly to impose penalties for non-compliance with GC 14.
3. Ofcom believes that Key Performance Indicators would be useful to improve transparency amongst all interested parties, not just Ofcom. Although both CISAS and Otelo publish a breakdown of complaints data in their annual reports, more frequent publication would provide early warning of problems areas.

4. We consider that monitoring of social demographics is a good indicator of overall accessibility to ADR. Otelo currently collects this data as part of its consumer satisfaction surveys and CISAS has agreed to do so from now on. Otelo's customer satisfaction research shows that it is predominantly middle class, middle aged, owner occupiers, who use ADR schemes. This data helps to detect whether there may be inherent biases in the system. We consider that accessibility is important for all consumers.

Kate O'Rourke

1. We accept that the research report appears to give a much more negative picture than is reflected in the review paper and we shall need to monitor this carefully going forward. The sample sizes for Continental's survey were much smaller than those used for the Otelo customer satisfaction surveys (which are also independently commissioned) so the latter would be expected to give a more reliable picture. What is missing is a statistically valid customer satisfaction survey from CISAS so that we can get a better idea of how the two schemes compare. CISAS has undertaken to commission such surveys from now on. Ofcom will also continue to include questions on its residential tracker survey and the results will be published once we have a large enough sample size.

2. We suspect that the large number of premature complaints is not because the time period for bringing a dispute to ADR is too long but because the communications providers are not handling complaints effectively. This then leads to a large number of disgruntled complainants looking for someone to talk to. We do not consider that the twelve week period is too long because it is essential that ADR remains the point of last resort for complaint handling and companies must have sufficient time to resolve a complaint themselves. We shall work with the ADR schemes during the consultation period to review their rules/guidelines on issuing deadlock letters. The report makes clear that communications providers must issue a deadlock letter as soon as they have concluded they cannot progress a complaint any further.