



Can I cancel?

Mobile coverage and contract cancellation

The Communications Consumer Panel is an independent panel of experts established under the Communications Act 2003. Its role is to influence Ofcom, Government, the EU and service and equipment providers, so that the communications interests of consumers and citizens are protected and promoted.

The Panel pays particular attention to the needs of older people and people with disabilities, to the needs of people in rural areas and people on low incomes, and to the needs of small businesses, which face many of the same problems as individual consumers.

The Consumer Panel is made up of part-time members with a balance of expertise in consumer issues in the communications sector. There are members representing the interests of consumers in Scotland, Wales, Northern Ireland and England.

Consumer Panel Members are appointed by Ofcom, subject to approval by the relevant Secretaries of State. They are appointed in accordance with Nolan principles and are eligible for re-appointment. The Consumer Panel is assisted by a small advisory team.

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See separate document for annexes as follows:

- Annex A: Methodology
- Annex B: Operator and third party retailer policies
- Annex C: Third party retailer flow diagrams
- Annex D: Evaluation forms
- Annex E: Shopper scenarios

Section 1

Foreword

Basic mobile services are so central to the way most people in the UK live today that many of us struggle to remember how we ran our lives without them.

Research we published last year showed that around a third of people who use mobiles regularly had difficulty with mobile coverage. We advised Ofcom of our findings and we're pleased that the regulator is now working on how to improve mobile coverage for UK consumers.

Improving coverage will take time and, in the meantime, consumers and people who run small businesses need to be able to check where they can expect to get coverage before they commit to a mobile phone contract. Consumers are currently encouraged to rely on coverage checkers, but these do not provide a completely accurate picture of where they will and will not get coverage. The data provided is not standardised and it doesn't help with very local issues such as indoor coverage. This is why the Communications Consumer Panel called for people to be able to cancel their mobile contracts if they find they can't get the coverage they need.

Many operators and third-party retailers do already have policies that allow consumers to cancel if they don't get adequate coverage. So we wanted to test the extent to which these options are made known to consumers. The results of our mystery shopping research show it is unlikely that consumers will be given the correct information about cancellation policies before they sign a contract.

Clearly, sales and customer service staff need to be much better trained so they can communicate their companies' policies in clear terms to consumers, but there is also work to do on the policies themselves. Most operators and third-party retailers have many different policies around cancellation: some relate to coverage only, others don't relate to coverage at all; some can be used in any circumstances but only if the consumer buys online, not in a store; some offer one cancellation deadline for voice and text but another for mobile broadband.

The extent of this variation in policies means that sales advisors are confused. Even some of the operators and third-party retailers' head offices had difficulty giving us a clear statement of their relevant policies. So we're calling for coverage cancellation policies to be simplified.

We also want consumers to receive a clear message about what they can do if they don't get the coverage they need, so we are asking that all operators and

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third-party retailers offer a minimum 14-day returns period for coverage problems. Some may want to go further to offer their consumers a better deal and we would obviously welcome this.

A handwritten signature in black ink, appearing to read "Anna Bradley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Anna Bradley

Chair, Communications Consumer Panel

Section 2

Executive Summary

Mobile phones are central to life today but evidence suggests that consumers and small businesses are frustrated with the level of mobile coverage they receive. The Communications Consumer Panel (the Panel) has previously called for consumers to be able to cancel mobile contracts due to poor coverage. It has now followed this up with some new research into operators and retailers' existing policies on cancellation due to coverage, to find out what customers are told about them before they decide to buy a new contract.

The research found that less than half (44%) of shoppers were given accurate information about whether or not they would be able to cancel a contract plus any deadline for doing so.

Our recommendations

Based on the research findings set out in this report, the Panel calls for operators and retailers to:

1. Improve their cancellation policies
 - Individual operators and retailers should make cancellation policies simple and consistent across their own products and retail channels; that is, operator A should have one cancellation policy for coverage that applies to its in-store, online and telesales channels, and its voice and mobile broadband products. This would make the policy easier for consumers and sales advisors to understand and accurately remember.
 - Introduce a minimum 14-day cancellation period for coverage problems across the industry. This would mean that customers would know what minimum protection to expect regardless of where they bought their contract. It would also give consumers enough time to try out a mobile service in the places where it is important for them to get good coverage, like at home or work, or when travelling. Operators and retailers could still gain a competitive advantage by offering more than this 14-day minimum.
2. Improve the information given to consumers about policies that allow contracts to be cancelled due to poor coverage.
 - Better training for sales advisors so that they can explain policies when asked.
 - Better in-store information about policies to support sales advisors.

Mobile phones are central to life today

The Panel makes these recommendations in the context of a world where mobile phones are central to peoples' lives. The percentage of UK households with access to a mobile phone has already overtaken the percentage of households with a fixed-line telephone connection. At the beginning of 2010, 85% of UK consumers aged 15 years or over lived in households that had a fixed-line telephone, whereas 92% lived in households with access to a mobile phone. One in seven (14%) of UK households now do not have a fixed-line connection at all and rely on mobiles alone for voice communications.¹

Because mobile services are now so crucial to the life of people in the UK, it is essential that these services are reliable and accessible in the places where they are needed. However, the Panel has been concerned for some time that many UK consumers and small businesses continue to experience problems making and receiving mobile phone calls.

Consumers and small businesses are frustrated with mobile coverage

The Panel published research in October 2009 that showed that around a third of those consumers and small businesses surveyed regularly experienced problems with mobile coverage.²

In its response to Ofcom's October 2009 mobile sector statement, the Panel called on the regulator to conduct further research into how to improve network coverage for mobile voice and text services. The Panel is pleased that Ofcom has now identified improving mobile network coverage as one of four consumer priorities in its 2010/11 annual plan.³

However, the Panel recognises that improved mobile coverage will take time and is unlikely to ever reach 100% of the UK. Some limitations are due to commercial decisions by the network operators; for instance, it may not make economic sense for operators to invest in network equipment in sparsely populated areas. Other restrictions might be posed by local geography or planning problems. So, it is important that consumers have access to the most accurate and comparable information on coverage levels possible so that they can make an informed decision about which network to choose.

¹ Ofcom *Technology Tracker Q1 2010*

² Communications Consumer Panel (October 2009) *Mobile coverage: the consumer perspective* http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_consumer_perspective.pdf; and *Mobile coverage: the small business perspective* http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_small_business_perspective.pdf

³ Ofcom (March 2010) *Annual Plan 2010/11* <http://www.ofcom.org.uk/files/2010/06/annplan1011.pdf>, p.5

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Operators do make some coverage information available via their websites. But these coverage checkers are based on mathematical models, which, although useful, are only an estimate of what coverage a consumer might get. This is because coverage can be affected by factors that are difficult to predict.

For instance, coverage checkers are usually based on estimates of outdoor rather than indoor coverage. This is because the distorting effects of different building materials on mobile signals mean that indoor coverage is extremely difficult to predict; for example, it might be different in one part of a house to another.

Outdoor coverage estimations are also imprecise, as local topography, such as hills and trees, can affect mobile signals. Even the weather can have an effect on signal strength and consistency

It is also difficult to find comparable information on coverage because different operators do not measure, compile and present information in the same way. It is therefore hard for consumers to compare like with like. The Panel has already called on operators to investigate how they can provide more comparable coverage data.

Consumers should be able to cancel mobile contracts due to poor coverage

As well as highlighting the problems consumers and small businesses are having with coverage, the Panel's October 2009 research also showed that coverage was a more important factor than cost for consumers when choosing a mobile operator.

The Panel was concerned that, because of the importance of coverage in the purchasing decision, some consumers would sign up for mobile contracts on the understanding that they would get a certain level of coverage but would then find that this was not the case. They would then be left paying for a contract without being able to use their phone in the way they had expected.

So, at the end of this first round of research, the Panel called for all consumers to be given an option to cancel a mobile phone contract if they found they did not get the coverage they needed.

New research into mobile contract cancellation policies

The Panel recognised that many operators and mobile-phone retailers already had some policies in place that would allow consumers to cancel a contract on the basis of poor coverage. However, it was concerned that consumers did not know about these policies before making the decision about which operator's service to buy.

The Panel commissioned a mystery shopping exercise in early 2010 to test whether the major UK operators and mobile-phone retailers were giving

consumers accurate information about their existing policies on cancellation. The exercise was concerned with policies that applied to problems consumers had with coverage for voice and text services.

The Panel chose to focus on basic voice and text services because these are the services that consumers most rely on and because network roll out for these services has all but finished. The Panel recognises that mobile internet and mobile broadband services may suffer from even greater problems with coverage than basic voice and text. However, these are relatively new services and the technology that supports them is still being rolled out by operators. Also, although usage is growing very quickly, mobile internet and mobile broadband services are not yet as integral to the lives of most UK consumers as voice and text services.

The research looked at the seven largest mobile phone operators plus the two largest third-party retail chains.⁴

It focused on the information consumers were given by sales advisors in store before purchasing a new mobile phone contract but it also evaluated the information available online and through telesales about coverage cancellation policies.⁵ The research then took this information and compared it for accuracy against the relevant cancellations policies that operators and retailers had supplied to the Panel.

Operators and retailers could do better

Overall, the research found that less than half (44%) of mystery shoppers were given accurate information, before purchase, about whether or not they would be able to cancel a mobile phone contract due to coverage issues.

There are some notable differences between the accuracy of different operators and retailers. In general, operators and retailers who have specific deadlines for cancellation were more accurate than operators and retailers who either do not have a specific cancellation period, or who do not allow cancellation at all.

⁴ The seven operators were H3G, O2, Orange, Tesco Mobile, T-Mobile, Virgin Mobile and Vodafone. Operators were chosen to include all five UK network operators and the two largest service providers, which together accounted for around 98% of all UK mobile subscriptions in Q2 2009 (Ofcom (December 2009) *Mobile Evolution* http://stakeholders.ofcom.org.uk/binaries/consultations/msa/statement/MSA_statement.pdf, p.19). The two third-party retail chains were Carphone Warehouse and Phones 4u. These retailers were chosen since they are the two largest nationwide specialist mobile retailers.

⁵ Mystery shoppers visited around 50 of each operator/retailer's stores, made 10 phone calls to each operator/retailer's telesales line and noted the information on each operator/retailer's website.

The Panel also found that operators and retailers often have several different policies on cancellation. Some apply to different retail channels, for instance in store versus online. Some apply to different products, for instance mobile handsets versus mobile broadband 'dongles' or netbooks. This means that it can be difficult for staff to remember the relevant policies and hard to communicate them clearly to consumers.

In this report

Section 3 gives the key findings of the research. It gives an overview of the accuracy of information given to consumers visiting an operator or retailer's store and calling their telesales lines, and evaluates the ease of finding information on operators and retailers' websites. It also gives an overview of the key messages that came out of in-depth interviews with customers who had tried to cancel their contract due to issues with coverage.

Section 4 explains the Panel's history with mobile coverage issues and details the motivation behind this new research into cancellation policies.

Section 5 gives an overview of the methodology used in the research. It also lays out the details of the operators and retailers' relevant cancellation policies that were used to measure the accuracy of information given to shoppers during the fieldwork period.

Section 6 gives a detailed breakdown of the results of the research conducted in operators and retailer's stores, on a per-operator and per-retailer basis.

Section 7 gives aggregated results for evaluations carried out on operator and retailer's telesales lines.

Section 8 details results of evaluations of operator and retailer's websites.

Section 9 contains ten case studies that tell the stories of real customers who have, or who have tried, to cancel their contracts due to issues with coverage.

Purpose of this report

This report is not intended to be a buyer's guide, nor information to be relied on when considering purchasing of particular services. The research provides only a snapshot of consumer experience taken at a single point in time and the exercise was restricted to a limited number of suppliers for whom we could most easily generate robust sample sizes. Full details of the methodology used, including how samples were drawn, are set out in section 5 and annex A.

Section 3

Key Findings

3.1 Methodology Overview

This report contains the findings from a programme of research conducted by Synovate on behalf of the Consumer Communications Panel during March and April 2010.

The aim of this programme of research was to provide the Panel with robust evidence about what information consumers are given by mobile operators and retailers about whether or not they would be able to cancel a mobile phone contract due to poor coverage.

More specifically the objectives were:

- To understand what information consumers are given by operators and third-party retailers before the point of purchase about their ability to cancel a mobile phone contract on the basis of poor coverage.
- To establish the extent to which the information given to consumers is in line with operators and retailers' stated policies (these can be found in section 5 and annex B).
- To gather anecdotal evidence of consumers' experiences of cancelling a contract on the basis of poor coverage.

A mystery shopping evaluation was used to understand the information consumers are given by operators and third-party retailers.

Trained mystery shopping researchers assumed the role of consumers who were worried that they might not get the coverage they needed from a new mobile phone contract. They visited mobile phone stores across the UK and told sales staff about their worries, asked whether they would be able to cancel a contract if they found it did not provide adequate coverage and, once they had left the store, recorded what they were told.

Mystery shopping researchers asked the same questions of operators and third-party retailers' telesales advisors and recorded what they were told.

Research agency staff also looked at the operators and third-party retailers' websites to record the information there and note how easy it was to find.

Finally, to gather anecdotal evidence of consumers' experiences of trying to cancel due to coverage reasons, research agency staff conducted in-depth

interviews with some consumers who had previously tried to cancel their contracts.

Further details on the background, objectives and methodology of this research programme can be found in sections 4 and 5 of this report.

3.2 Key findings

The research found that, overall, a substantial number of consumers are not given the correct information about their ability to cancel their mobile phone contract if they do not get the coverage they need. Generally, operators performed reasonably well at telling consumers whether or not they would be able to cancel but performed less well when it came to communicating the finer details of the policy, such as the deadline. Third-party retailers had similar difficulty with the policy details and were less accurate overall than the operators. There were also many instances of people being told that they could cancel when they could not, and that they could not cancel when they could.

The research looked at two key stages in the process:

1. General information: is the consumer given correct information about whether or not it is possible to cancel due to coverage problems, without any further details of the policy?
2. Specific information: is the consumer given correct information about whether or not it is possible to cancel due to coverage problems, *plus* the details of any deadline for cancellation?

The key findings of the research programme can be summarised as follows.

Table 3.1 Overview of operator and third-party retailer results in-store and telesales

	% of shoppers given accurate general information about whether or not they can cancel		% of shoppers given accurate specific information about the cancellation policy, including any deadline	
	In store	Telesales	In store	Telesales
Operators average	76%	90%	57%	70%
Third-party retailers average	41%	78%	36%	68%
Overall average	55%	83%	44%	68%

3.2.1 In-store

Overall in-store findings

A little over half (55%) of all shoppers visiting the operator and third-party retailer stores were provided with accurate general information about whether the operator or retailer in question would allow them to cancel their contract due to coverage issues when a contract was bought in store.

A little less than half (44%) of shoppers visiting the operator and third-party retailer stores were given both accurate general information about whether they could cancel and, if they could, accurate specific information about the details of any deadline for cancellation.

Operator in-store evaluations

Over three-quarters (76%) of shoppers in operator stores were provided with accurate general information about whether the operator would allow them to cancel their contract due to coverage issues when a contract was bought in store.

57% of shoppers in operator stores were provided with both accurate general information about whether they could cancel and, if they could, accurate specific information about the details of any deadline for cancellation.

Performance varied considerably by operator. For instance, shoppers in O2 stores received accurate specific information on 79% of occasions and shoppers in Orange stores received accurate specific information on 32% of occasions.

The majority of all shoppers (80%) described the information they were provided with as 'easy to understand'.

Third-party retailer in-store evaluations

41% of shoppers in third party stores were provided with accurate general information about whether the operator would allow them to cancel their contract due to coverage issues when a contract was bought in store.

Around a third (36%) were provided with both accurate general information about whether they could cancel and, if they could, accurate specific information about the details of any deadline for cancellation. This is lower than the average for operator stores, which was 57% (see above).

Inaccuracy amongst the third-party stores was therefore primarily driven by a failure to provide shoppers with accurate general information about whether they could cancel, with a further 5% of consumers who were given the correct

information at this stage then given inaccurate information about the specific details of the cancellation policy.

Performance varied considerably by third-party retailer, with shoppers in Carphone Warehouse receiving accurate general information on 59% of occasions and accurate specific information on 56% of occasions and shoppers in Phones 4u receiving accurate general information on 21% of occasions and accurate specific information on 4% of occasions.

The majority of third-party retail shoppers found the information provided by in-store staff easy to understand (74% in Phones 4u and 72% in Carphone Warehouse). This was lower than in operator stores.

3.2.2 Telesales

Telesales general findings

Telesales was slightly more accurate than in-store evaluations on both general and specific information measures.

83% of shoppers were provided with accurate general information about whether the operator or retailer in question would allow them to cancel their contract due to coverage issues when a contract was bought over the phone.

68% of shoppers were given both accurate general information about whether they could cancel and, if they could, accurate specific information about the details of any deadline for cancellation.

This compares to 55% and 44% of accurate general and specific evaluations, respectively, in-store.

Telesales operator evaluations

Most operators' telesales advisors were reasonably good at informing shoppers about their ability to cancel due to poor coverage in general but then tended to fall down somewhat when providing information about the cancellation period.

A considerable majority of shoppers (90%) were given accurate general information by operators' telesales advisors about whether or not they could cancel a mobile contract purchased over the phone.

70% of shoppers evaluating the information were given accurate specific information about whether or not they would be able to cancel a contract bought over the phone if they had coverage issues plus details of any cancellation deadline.

This compares to 76% and 57%, respectively, of evaluations in operators' stores.

Telesales third-party retailer evaluations

The majority (78%) of shoppers speaking to third-party retailers' telesales advisors were given accurate general information about whether they would be able to cancel.

Two thirds of shoppers (68%) speaking to third-party retailer's telesales advisors were also given accurate specific information about any deadlines that applied to cancellation.

This compares with 41% and 36% of evaluations in third-party retailers' stores.

3.2.3 Web evaluations

All operator and third-party websites include information about general cooling-off periods, as required by UK Distance Selling Regulations.⁶ However, only two - Virgin Mobile and Carphone Warehouse - specifically mention that this option can be used to cancel due to poor coverage.

Information on cooling-off or cancellation periods typically took between 2-3 clicks from the homepage of an operator or retailer's online shop to find the relevant information.

3.2.4 Anecdotal feedback

Feedback from consumers who tried to cancel a contract due to coverage issues suggests the actual cancellation process is not straightforward. Even those who are successful in cancelling a contract often find the process complicated and confusing. Difficulties experienced by respondents include the following:

- Cancellation periods expire whilst operators attempt to resolve the coverage issues. Consumers then find it difficult or impossible to cancel their contract.
- Confusion about which retail channel a consumer should use to cancel; for instance, consumers who bought in an operator store and try to cancel with consumer services over the phone can find they are bounced between the two before getting an answer to their problem.

⁶ One of the key features of UK Distance Selling Regulations is that consumers have a seven-day 'cooling-off' period during which they can cancel goods or services bought via the internet, digital television, mail order, phone and fax. They exist in order to protect consumers who cannot inspect goods or services before purchase because they bought them at a distance. For more information on UK Distance Selling Regulations, visit the website of the UK's Office of Fair Trading www.offt.gov.uk

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- Consumers who bought a contract in a third party retailer may find it difficult to find someone who will take responsibility for sorting out the issue. Customers of retailers can be referred back to the operator, who may then refer the consumer back to the retailer and so on.
- Consumers not told about cancellation periods at the point of purchase, even when they asked questions about coverage problems. When the consumer then goes to the operator to complain about coverage, they are told that they cannot cancel because they were outside the cancellation deadline.
- Consumers told that they would not be able to cancel their contract because they had used the handset, even when the consumer complains that they would not have been able to test coverage without using the phone.

Section 4

Background & Objectives

4.1 Background

The Communications Consumer Panel has been concerned for some time that considerable numbers of UK consumers and small businesses still experience problems with mobile phone coverage for basic voice and text services.

Problems experienced include 'not spots', where users experience no coverage at all, as well as poor quality or intermittent coverage, delayed text messages and dropped calls.

Motivated by this concern, the Panel published research in October 2009 that showed that around a third of consumers and small businesses experience regular problems with their mobile coverage.⁷

This research showed that, whilst industry is focused on rolling out new services like mobile broadband, large numbers of consumers and small businesses are still having problems making even basic voice calls. This kind of basic coverage is hugely important to consumers and essential for small businesses to thrive.⁸

The Panel called on Ofcom to explore how to improve coverage for calls and texts, including efforts to enhance coverage while at home and on the move. Ofcom has since prioritised improving mobile coverage in its 2010/11 work plan.

The Panel is also keen to see that consumers are better informed about the coverage they are likely to get from their mobile service but understands that this information will not help all consumers all the time. The Panel is aware that providing accurate information about the level of coverage an individual consumer is likely to receive will always be an inexact science, since coverage depends on lots of factors. Many of these factors are beyond the network operator's control.

⁷ Communications Consumer Panel (October 2009) *Mobile coverage: the consumer perspective* http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_consumer_perspective.pdf; and *Mobile coverage: the small business perspective* http://www.communicationsconsumerpanel.org.uk/Mobile_coverage_small_business_perspective.pdf

⁸ H3G is the only UK operator that does not have separate networks for voice calls and mobile broadband. Thus extended H3G network coverage will mean that all H3G consumers will be able to benefit from improved voice and data coverage.

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Since mobile coverage itself is not perfect and reliable information about that coverage is not available to consumers when they purchase a mobile contract, the Panel recommends that consumers should be able to cancel that contract if they subsequently find it does not provide the coverage they need.

The Panel recognises that many operators and retailers already have policies that would allow consumers to cancel if they found that they had issues with coverage. However, consumers need to know that these policies exist in order to make use of them. The Panel wished to test whether consumers were given this information when investigating whether to buy a new mobile phone contract.

The Panel chose to focus only on the information consumers are given when informally enquiring about mobile coverage cancellation policies. This was because accurate information of this type is crucial to the purchasing decision of those consumers who rate coverage concerns about cost when choosing a new mobile contract.

The Panel recognises that it is also important to give consumers information about cancellation at the till or when they receive their new SIM card, so that they have a proper understanding of their options regarding their new purchase. However, by this stage, the consumer will have already made a choice about which contract to buy. Once they have committed to this choice in their own minds or on paper, it is likely to be much more difficult for consumers to re-evaluate their decision in the light of new information.

It is, of course, also extremely important for consumers to be able to take advantage of any given policy on coverage. The best policies and the best information are essentially useless if they cannot be successfully followed up when there is a problem. The Panel wanted to get a flavour of the consumer experience when actually trying to cancel a contract due to coverage issues by collecting some anecdotal case studies.

The Panel commissioned Synovate, an independent market research agency, to undertake some mystery shopping research in order to evaluate the accuracy of information consumers are given about operators and third-party retailers' policies on cancelling contracts on the basis of poor coverage. Synovate also interviewed some real consumers to find out about what happened to them when they had tried to cancel their mobile contracts because they had problems with coverage.

4.2 Objectives

The key objectives for this research were as follows:

- To understand what information consumers are given before the point of purchase about their right to cancel a mobile phone contract on the basis of poor coverage for voice and text;
- To establish the extent to which the information given to consumers about cancelling a mobile phone contract is in line with operators and retailers' stated policies; and
- To gather anecdotal evidence of consumers' experiences of cancelling a contract on the basis of poor coverage.

Section 5

Methodology & Policies

5.1 Methodology

The research programme comprised four distinct components: in store mystery shopping, telesales mystery shopping, website evaluations and in-depth telephone interviews. All four components were carried out by Synovate, an independent market research agency commissioned by the Panel.

The focus of the research was the seven largest mobile operators and the two largest third party retailers, listed in table 5.1 below. Operators were chosen to include all five UK network operators and the two largest service providers, which together accounted for around 98% of all UK mobile subscriptions in 2009.⁹ The two third-party retail chains were Carphone Warehouse and Phones 4u. These retailers were chosen since they are the two largest nationwide specialist mobile retailers.

Table 5.1 Research subjects: operators and third-party retailers

<ul style="list-style-type: none"> • H3G • O2 • Orange • Tesco Mobile 	<ul style="list-style-type: none"> • T-Mobile • Virgin Mobile • Vodafone 	<ul style="list-style-type: none"> • Carphone Warehouse • Phones 4u
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The research was primarily designed to test information given about cancellation due to poor coverage for voice calls and text, and to evaluate whether it matched the operators and retailers’ stated policies.

In-store evaluations were the main focus of the mystery shopping research; however, some telesales and web evaluations were conducted to ensure that the research was comprehensive. Fewer evaluations were carried out for telesales and web sales than for the in-store channel because:

⁹ Figure stated refers to Q2 2009: Ofcom (December 2009) *Mobile Evolution* http://stakeholders.ofcom.org.uk/binaries/consultations/msa/statement/MSA_statement.pdf, p.19

- Distance Selling Regulations already offer consumers some right of return for contracts bought online or over the phone; and
- there is more opportunity for standardisation of the sales process through these channels than in-store, so it was assumed that fewer evaluations would be required.

The Panel collected the relevant cancellation policies from each of the mobile operators and third-party retailers. The findings of the mystery shopping research were compared with these policies to determine how closely the information given to consumers matched the stated policies.

In-depth telephone interviews were carried out to give context and flavour to the mystery shopping research.

A fuller description of the methodology employed can be found in Annex A.

5.1.1 In-Store Mystery Shopping Evaluations

514 mystery shopping visits were undertaken between 31 March and 22 April 2010 to the seven main UK mobile operators (50 or more visits per operator) and the two main third party retailers (c. 50 visits per retailer). The evaluations were undertaken in stores throughout England, Scotland, Wales and Northern Ireland and in a mix of areas: half with poor network coverage and half with good network coverage. Operators' coverage checkers were used to identify poor coverage areas. Stores in poor coverage areas were either themselves in poor coverage areas or served poor coverage areas.

The good/poor coverage area split was included in order to allow for the possibility that sales advisors working in stores in poor coverage areas would be better versed than those in good coverage areas in the cancellation policies due to being asked about coverage issues more often.

Evaluations were also taken on a mix of weekday and weekends, to take into account any variation in accuracy by full-time and part-time store employees.

The 514 mystery shopping visits resulted in 1,034 separate evaluations. In third-party retail stores, the mystery shoppers were able to undertake evaluations of the relevant operator policies per visit.¹⁰ In the operators' own retail stores, each visit resulted in one evaluation.

Each shopper was given one of three different scenarios, details of which are included in annex E. These scenarios allowed them to test the information they

¹⁰ Tesco Mobile services are not available in third-party retail stores

were given about being able to cancel a mobile phone contract because they were receiving a poor signal for voice calls and texts.

5.1.2 Telesales Mystery Shopping Evaluations

90 mystery shopping telephone calls were made between 9 and 22 April 2010 to the seven main mobile operators (10 calls per operator) and the two main third-party retailers (10 calls per retailer). Each call to a retailer checked all the relevant operators' policies.¹¹

5.1.3 Website Evaluations

Synovate executive staff undertook an evaluation of all 9 of the operator and third-party websites to record the information available and ease of locating this information.

5.1.4 In-Depth Telephone Interviews

30 telephone interviews were conducted with consumers who had previously cancelled or tried to cancel a contract due to poor coverage, independent of this research programme. These consumers were located through an existing database of consumers who had indicated that they were willing to take part in market research surveys and interviews.

5.2 Operators and third-party retailers' policies

The Panel contacted the operators and third-party retailers in this study between December 2009 and May 2010 to ask them for the details of any policy they offered that would give consumers the ability to cancel a mobile contract if they found they had problems with coverage. These policies were then clarified and checked with all relevant operators and retailers in June 2010.

5.2.1 Policies overview

Cancellation policies relevant to coverage reasons differ between operators and retailers, as might be expected in a market where customer service is a competitive differentiator. However, as well as differing between the operators and retailers, cancellation policies often also differ for the same operator or retailer depending on whether a contract was bought in a store, online or over the phone.

Most operators' cancellation policies relevant to coverage offer the same deadline for cancellation regardless of whether a consumer buys a contract in a store or at a distance - that is, over the telephone or online. Only Orange offers

¹¹ Tesco Mobile services are not available in third-party retail stores

a different time limit, since it is not possible to cancel a contract bought in store because of issues with coverage but a contract bought at a distance may be cancelled within 7 days of receiving the SIM card.

However, two further operators have subtly different in-store and distance policies. T-Mobile and Vodafone's relevant policies in-store relate only to coverage issues and cannot be used if a consumer simply changes their mind. The operators' distance policies, in accordance with UK Distance Selling Regulations, do allow consumers to cancel contracts because they changed their minds, as well as because of coverage issues. So, although both offer 7-day returns for contracts bought either in-store and at a distance, they are not consistent, as the specific terms differ depending on where the contract was bought.

The situation is different again for the third-party retailers. Phones 4u offers the same policy on cancellation for contracts bought in its stores as it does for contracts bought at a distance. Cancellation under both of these policies are restricted to coverage reasons. However, the retailer also offers a 7-day returns policy without restriction for contracts bought online and over the phone, as required by UK Distance Selling Regulations.

Cancellation of contracts bought in Carphone Warehouse stores or via its telesales or website is not restricted to reasons of poor coverage. However, the cancellation policies available for contracts bought in store depend on which operator the contract relates to; O2 and Virgin Mobile contracts bought in Carphone Warehouse stores can be cancelled within 14 days but other operators bought in the retailers' stores cannot be cancelled at all. The cancellation policies align when buying at a distance, however, and all contracts bought online or over the phone are subject to a 14-day cancellation period regardless of operator.

Table 5.2: Operators' in-store and distance-selling policies on cancellations due to coverage issues March-April 2010

	In store			Distance (telesales/online)		
	Cancellation possible?	Time limit on cancellation	Restrictions on reason for return	Cancellation possible?	Time limit on cancellation	Restrictions on reason for return
H3G	Yes	Entire contract ¹²	Coverage only ¹³	Yes	Entire contract ¹⁴	Coverage only ¹⁵
O2	Yes	14 days	Any reason	Yes	14 days	Any reason
Orange	No	n/a	n/a	Yes	7 days	Any reason
Tesco Mobile	Yes	14 days	Any reason	Yes	14 days	Any reason
T-Mobile	Yes	7 days	Coverage only ¹⁶	Yes	7 days	Any reason
Virgin Mobile	Yes	28 days	Any reason	Yes	28 days	Any reason
Vodafone	Yes	7 days	Coverage only	Yes	7 days	Any reason

¹² H3G will check to see if there is a fault that is due to be resolved or if there is an upgrade planned to the network in the area where the consumer has a coverage problem. If neither are the case, the consumer can cancel their contract without penalty.

¹³ H3G also operate a separate change-of-mind policy, which gives consumers 14 days to cancel a contract. The handset must be returned unused, so consumers who try their phone and then find that they do not get sufficient coverage would not be able to take advantage of this policy.

¹⁴ See footnote 10

¹⁵ See footnote 11

¹⁶ T-Mobile customers must use the operator's StreetCheck coverage checker before purchase and receive a 'network guarantee' code. The customer should then contact the operator and state this code within 7 days of purchase if they find they do not get the coverage they expected.

Table 5.3: Third-party retailers' in-store and distance-selling policies on cancellations due to coverage issues March-April 2010

Retailer	Operator	In store			Distance selling		
		Cancellation possible?	Time limit on cancellation	Restrictions on reason for return	Cancellation possible?	Time limit on cancellation	Restrictions on reason for return
Carphone Warehouse ¹⁷	H3G	No	n/a	n/a	Yes	14 days	Any reason
	O2	Yes	14 days	Any reason	Yes	14 days	Any reason
	Orange	No	n/a	n/a	Yes	14 days	Any reason
	T-Mobile	No	n/a	Any reason	Yes	14 days	Any reason
	Virgin Mobile	Yes	14 days	n/a	Yes	14 days	Any reason
	Vodafone	No	n/a	n/a	Yes	14 days	Any reason
Phones 4u	All relevant operators	Yes	Entire contract ¹⁸	Coverage only	Yes	Entire contract ¹⁹	Coverage only ²⁰

Fuller details of operator and 3rd party retailer policies can be found in Appendix B.

¹⁷At the time of the fieldwork, Carphone Warehouse was also trialling in its Northern Ireland stores a unified 14 day cancellation policy for all operators in addition to these policies.

¹⁸ Phones 4u has no time limit on cancelling but consumers must contact the retailer to complain about the coverage they receive. They may first be switched to another network before being able to cancel the contract altogether.

¹⁹ See footnote 16

²⁰ Phones 4u customers buying at a distance also have 7 days to cancel a contract if they simply change their mind.

Section 6

In-Store Evaluations

6.1 In-Store Evaluations in Operator Stores

Overall, 57% of mystery shoppers visiting operator stores were provided with both accurate general information about whether they could cancel a contract on the basis of poor voice and text coverage and, if they could, accurate specific information about the details of any cancellation deadlines. Most operator stores correctly informed shoppers about whether or not they could cancel a contract. However, there was less consistency in providing accurate information about the details of the cancellation policy, in particular the cancellation period.

Sales advisors in O2 stores were the most accurate by our measure, with 79% of shoppers given the accurate, specific information that they would be able to cancel a contract within 14-days of purchase.

There is then little to choose between Tesco Mobile, T-Mobile and Virgin Mobile, which range between 68% and 71% accuracy. Shoppers in Vodafone stores were given accurate, specific information in 58% of cases.

Orange was considerably less accurate than these five operators, with 32% of shoppers told correctly that they would not be able to cancel; that is, over two-thirds (68%) were told incorrectly that they would be able to cancel.

H3G displayed the lowest accuracy of the operator stores but it should be noted that H3G offers the most generous policy of all the operators; that is, no time limit on returns due to coverage issues subject to the operator identifying no relevant network upgrade or fault resolution.

Many shoppers in the study who visited H3G stores were told that they had 14 days to return. H3G also offers a 14-day change-of-mind policy alongside its coverage cancellation policy; however, this policy requires that handsets are returned unused.

Although consumers who have problems with H3G's coverage would be able to cancel their service during the first 14 days of the contract, as at any other time, if staff are only aware of the 14-day policy, claims may be rejected on the basis that the handset has been used. There may also be consumers who are told by H3G sales advisors that they have 14 days to cancel a contract due to coverage issues but have no problems during the first 14 days. But these

consumer might have benefitted from the coverage returns policy later in their contract if they found they had coverage problems, perhaps because they had moved.

Table 6.1: Overview of operator results for in-store evaluations

	% of shoppers given accurate, general information about whether or not they can cancel	% of shoppers given accurate specific information about the cancellation policy, including any deadline
H3G	80%	4% ²¹
O2	89%	79%
Orange	32%	32%
Tesco Mobile	80%	71%
T-Mobile	72%	68%
Virgin Mobile	88%	70%
Vodafone	68%	58%
AVERAGE	76%	57%

Most shoppers (77%) had to prompt the sales advisor before receiving any information, correct or otherwise, about their ability to cancel a contract on the basis of poor voice and text coverage. This information was still not provided in 6% of operator stores even after prompting the sales advisor.

²¹ H3G's actual coverage cancellation policy does not put a time limit on cancellations due to coverage problems. However, the majority of shoppers in H3G stores were told that, if they wished to cancel their contracts because of issues with coverage, they would have to do so within a specific number of days after purchase.

Table 6.2 Overview of operator results for in-store evaluations

	Percentage of shoppers given information about their ability to cancel a contract unprompted, after prompting or not at all		
	Information provided unprompted	Information provided after prompting	Information not provided at all
H3G	24%	66%	10%
O2	17%	77%	6%
Orange	12%	80%	8%
Tesco Mobile	17%	78%	5%
T-Mobile	15%	81%	4%
Virgin Mobile	22%	72%	6%
Vodafone	15%	83%	2%
AVERAGE	17%	77%	6%

6.1.1 H3G in-store evaluations

4% of shoppers in H3G stores were told, correctly, that they would be able to cancel their mobile service at any time during the contract if they had problems with coverage.

H3G’s policy during the fieldwork period allowed for cancellation due to coverage issues at any point during a contract. If a consumer finds that they have problems with their service, they must first contact H3G to discuss the issue. The operator would then check its networks for known faults or planned upgrades that would be likely to solve the coverage problem identified by the consumer. If no solution was planned within the next 30 days, the consumer would be given the option to cancel their contract without penalty.

Results overview

Of the 50 shoppers (the total sample) that visited H3G stores:

- 40 (80%) were told, correctly, that it would be possible to cancel their contracts due to coverage issues.

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- The remaining 10 (20%) were either told that it was not possible to cancel or they could not get a definitive answer from the sales advisor.

Of the 40 shoppers told they could cancel:

- 2(5%) were told, correctly, that they could do so throughout the entire contract - 4% of the total sample.
- 36 (90%) were told, incorrectly, that they would need to cancel within a certain number of days - 72% of the total sample.
- The remaining two shoppers were either told that there was a deadline for cancellations but that deadline was not specified or that they would have to visit a store in Northern Ireland (from England) in order to cancel.²²

Of the 36 shoppers told they would need to cancel within a certain amount of days:

- 29 (81%) were told there was a deadline of 14 days - 58% of the total sample.
- 7 (19%) were told they had 3 or 7 days - 14% of the total sample

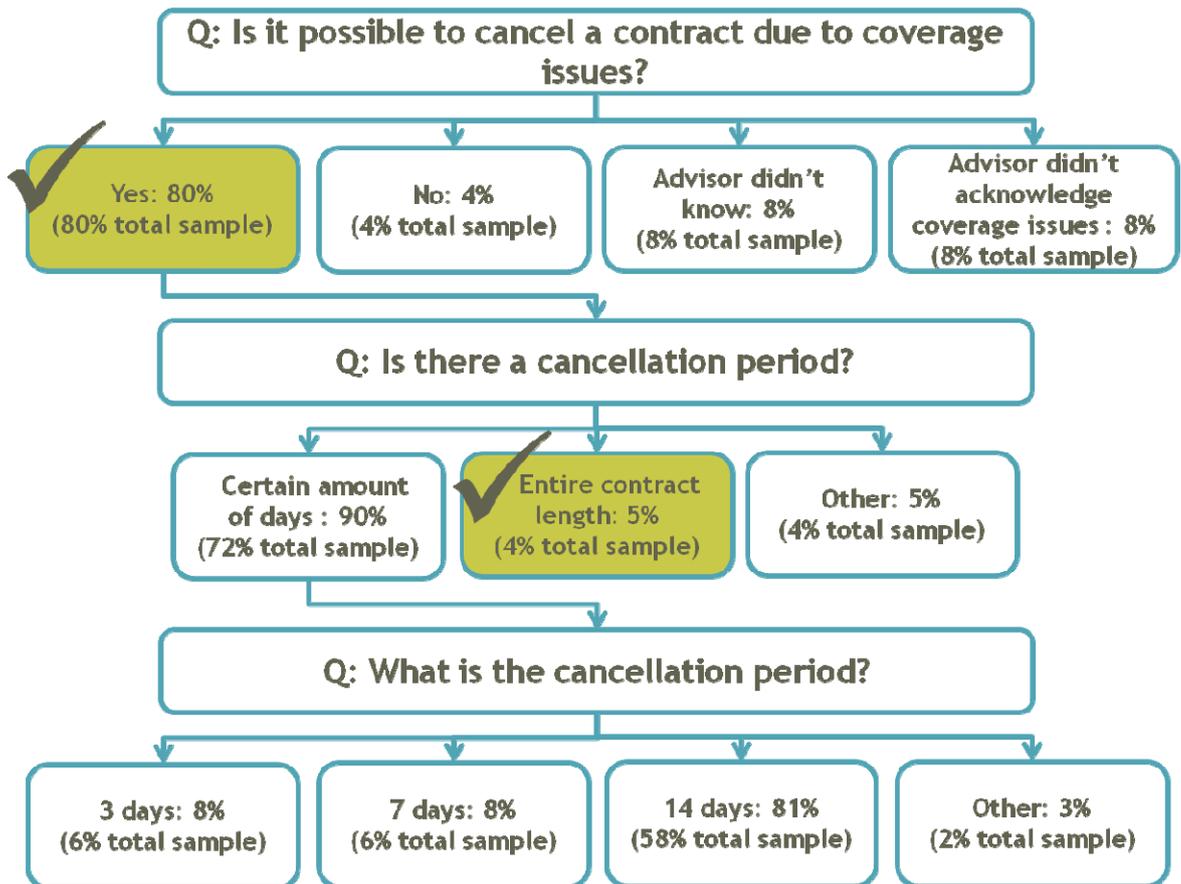
Overall, 4% of the total sample of shoppers visiting H3G stores was given the accurate information that it would be possible to cancel a mobile phone contract at any time if they found they had problems with coverage.

²² It was not obvious why the sales advisor would have told the shopper to visit Northern Ireland to cancel a contract. This example does, however, illustrate both the confusion of sales staff and the extremes of wrong information that are given to consumers asking about their options if they find they have poor coverage.

Fig 6.1 H3G in-store evaluations results tree

H3G's coverage returns policy for voice and text: No limit on cancellation period, subject to no solution to problem being found by operator within 30 days of complaint
 % shoppers given accurate general information about whether or not they can cancel: 80%
 % shoppers given accurate specific information about the policy, including any deadline: 4%

Base n=50



Almost a quarter (24%) of shoppers in H3G stores were given information, accurate or otherwise, without having to prompt the sales assistant for it. Two thirds (66%) were given information after prompting and 10% did not receive a conclusive response even after prompting the sales advisor. One in ten shoppers had to speak to more than one advisor during their evaluation.

6.1.2 O2 in-store evaluations

79% of shoppers in O2 stores were told, correctly, that they could cancel their contract within 14 days of purchase, if they had problems with coverage.

O2's policy during the fieldwork period was their general 14-day 'change of mind' policy. This allowed the consumer to return the phone and terminate the contract within 14 days of purchase. Consumers could terminate their contract for any reason, including but not exclusive to coverage issues.

Results overview

Of the 53 shoppers (the total sample) that visited O2 stores:

- 47 (89%) were told, correctly, that it would be possible to cancel a contract due to problems with poor coverage.
- The remaining 6 shoppers (11%) were either told that it was not possible to cancel or could not get a conclusive answer from the sales advisor.

Of the 47 shoppers told that it would be possible to cancel a contract due to coverage issues:

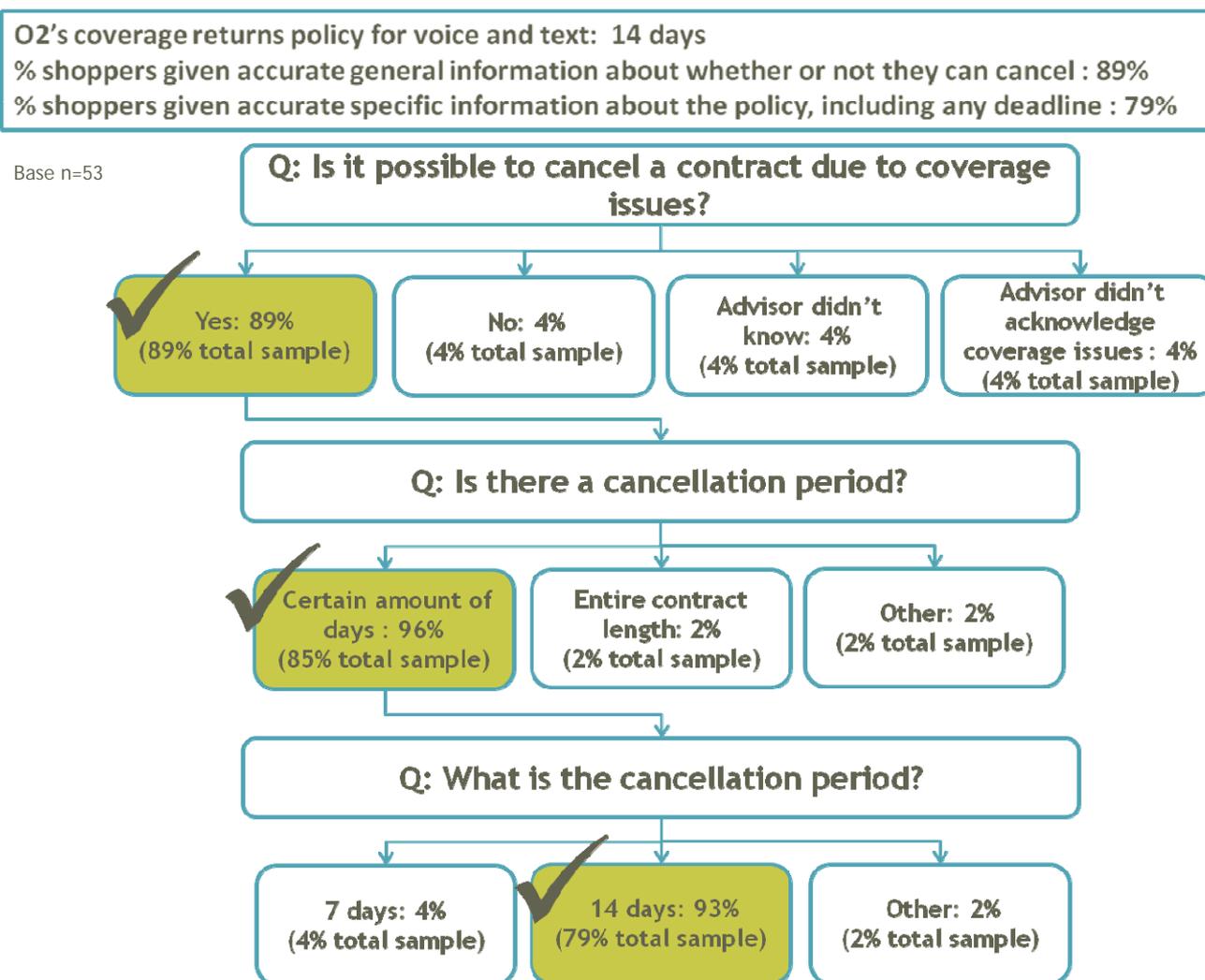
- 45 (96%) were told that they had a certain number of days in which to cancel - 85% of the total sample.
- 2(4%) were told either that they could cancel at any point in the contract or that only 30-day SIM-only contracts could be cancelled due to coverage issues - 4% of the total sample.

Of the 45 people that were told they had a certain number of days in which to cancel:

- 42 (93%) were correctly told that the deadline was 14 days - 79% of the total sample.
- The remaining 3 shoppers were told that they had 7, 14 or 28 days in which to cancel - 6% of the total sample.

Overall, 79% of shoppers in O2 stores were given accurate information about whether or not they could cancel a contract due to problems with coverage plus the correct deadline for doing so.

Fig 6.2 O2 in-store evaluations results tree



Over three-quarters (77%) of shoppers had to prompt a sales advisor to find out any information, accurate or otherwise, about their ability to cancel a contract due to coverage issues. 17% were given information unprompted and 6% were not given a satisfactory answer even after prompting. 8% of shoppers spoke to more than one sales advisor during the evaluation.

6.1.3 Orange in-store evaluations

Less than a third (32%) of shoppers in Orange stores were told, correctly, that they would not be able to cancel their contract due to poor coverage.

Orange's policy during the fieldwork period was that consumers did not have a right to cancel due to coverage issues at any point during a contract.²³

²³ Orange consumers can cancel if the operator can no longer provide the consumer with any network services at all

Results overview

Of the 50 shoppers (the total sample) that visited Orange stores:

- 16 (32%) were told, correctly, that it would not be possible to cancel their mobile contracts if they found they could not get the coverage they needed.
- 26 (52%) were told that they would be able to cancel.
- 5 (10%) were told that cancellation due to coverage was not relevant because there would not be coverage issues.
- 3 (6%) were told that the sales advisor did not know whether they would be able to cancel.

Of the 26 shoppers that were told, incorrectly, that they would be able to cancel:

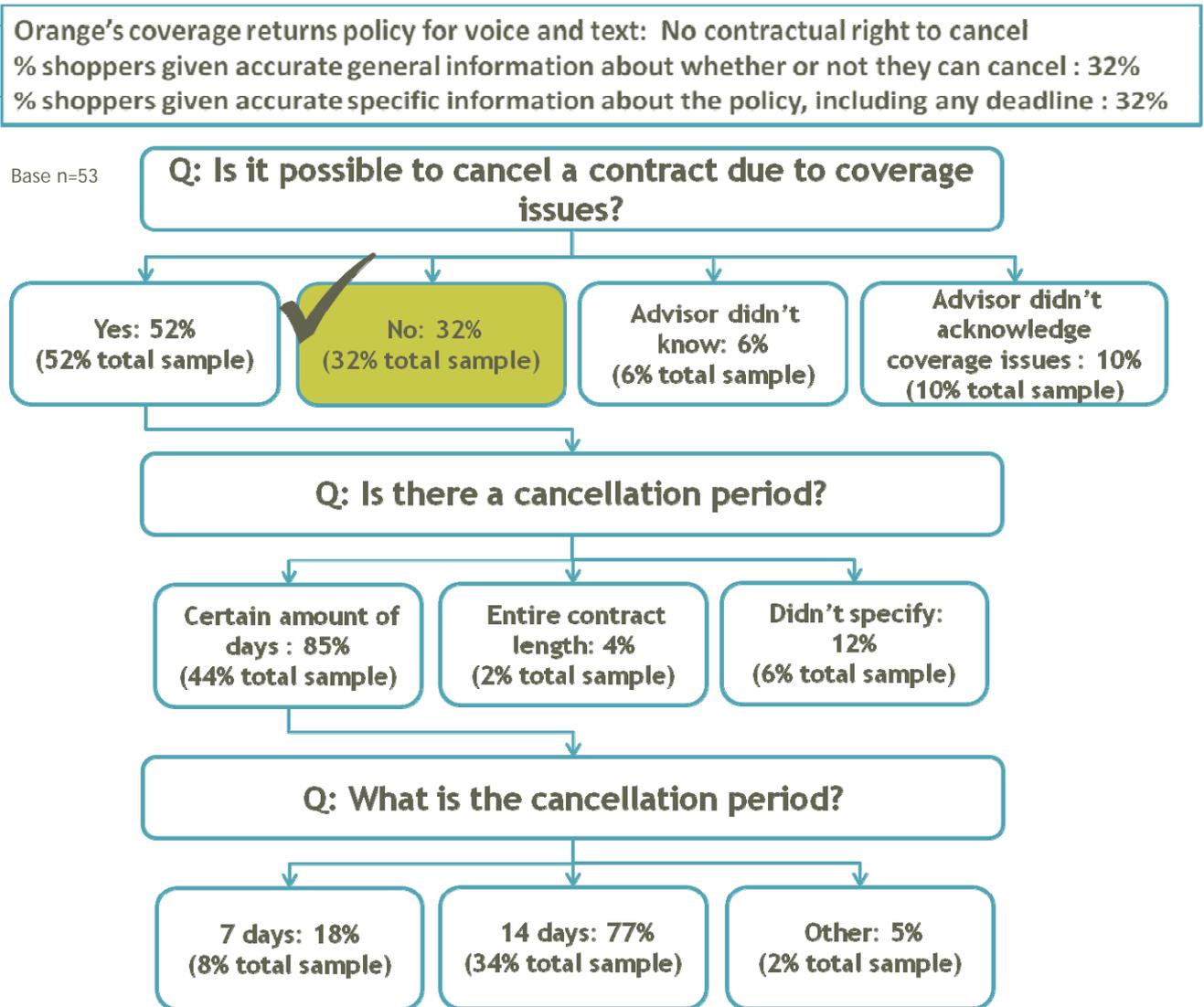
- 22 (85%) were told that they would have to do so within a certain number of days - 44% of the total sample.
- 3 (12%) were not given specific information about the terms of cancellation - 6% of the total sample.
- 1 (4%) was told they would be able to cancel throughout the entire contract - 2% of the total sample.

Of the 22 shoppers that were told they would have to cancel within a certain number of days:

- 17 (77%) were told that the deadline was 14 days - 34% of the total sample.
- 5 (18%) were told they would have to cancel within 7 days - 8% of the total sample.

Overall, 32% of shoppers in Orange stores were given the correct information according to the operator's policy; that is, that cancellation due to coverage issues is not possible.

Fig 6.3 Orange in-store evaluations results tree



80% of shoppers in Orange stores were only given information, whether correct or otherwise, after prompting the sales advisor. A minority of shoppers (12%) was given information about cancellation on the basis of coverage without having to ask for it, and 8% did not get a definitive answer even after prompting. 4% of shoppers spoke to more than one sales advisor during their visit.

6.1.4 Tesco Mobile in-store evaluations

71% of shoppers in Tesco Mobile stores were correctly told that they would be able to cancel a Tesco Mobile contract within 14 days of purchase if they had problems with coverage.

Tesco Mobile’s returns policy during the fieldwork period was to allow 14 days after purchase for consumers to cancel a Tesco Mobile contract that they had

bought in store. This policy could be used in case of coverage problems but was not restricted to them.

Results overview

Of the 101 shoppers (the total sample) that visited Tesco Mobile stores:

- 81 (80%) were told, correctly, that they would be able to cancel their contracts if they found they received poor coverage.
- 11 (11%) were told it would not be possible to cancel.
- 9 (9%) found that the sales advisors did not acknowledge that coverage might be an issue.

Of the 81 shoppers correctly told that it would be possible to cancel:

- 79 (98%) were told that there was a time limit on cancellations - 78% of the total sample.
- 2 (2%) were either told that they would be able to cancel throughout the entire contract, or that there would be a brief, unspecified period in which consumers could cancel - 2% of the total sample.

Of the 79 shoppers correctly told that there was a deadline for cancellations:

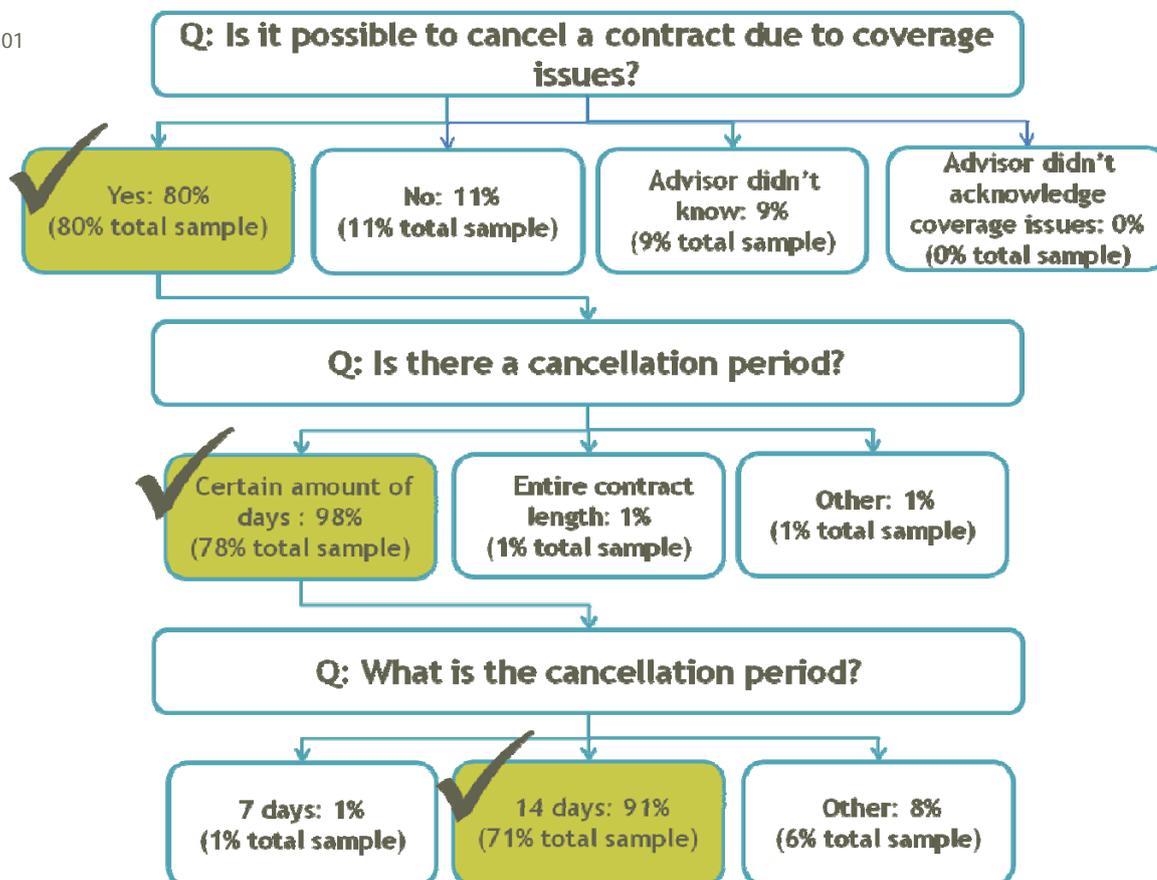
- 72 (91%) were told the accurate 14 day time limit - 71% of the total sample.
- 7 (9%) were told they would have 7, 28 or 30 days to cancel their contracts - 7% of the total sample.

Overall, 71% of shoppers in Tesco Mobile stores were given the accurate, specific information that they would have 14 days in which to cancel a contract if they did not get the coverage they needed.

Fig 6.4 Tesco Mobile in-store evaluations results tree

Tesco Mobile's coverage returns policy for voice and text: 14 days
 % shoppers given accurate general information about whether or not they can cancel : 80%
 % shoppers given accurate specific information about the policy, including any deadline : 71%

Base n=101



Over three quarters of shoppers (78%) had to prompt the sales advisor to find out information, whether correct or otherwise, about whether they would be able to cancel on the basis of poor coverage. 17% of shoppers were given information unprompted and 5% were not given a satisfactory answer even after prompting. 17% of shoppers had to speak to more than one sales advisor during their visit.

6.1.5 T-Mobile in-store evaluations

Two thirds (68%) of shoppers in T-Mobile stores were told, correctly, that they had 7 days to cancel a mobile phone contract if they were not happy with the coverage it gave.

The relevant T-Mobile policy during the study fieldwork period was the 7-day 'network guarantee'. This network guarantee was linked to the operator's online StreetCheck coverage checker. A consumer would need to show when cancelling a mobile phone contract that they had used StreetCheck to investigate whether or not they were likely to receive adequate coverage before purchasing that contract. If the StreetCheck service told a consumer that they would get acceptable coverage and the consumer then discovered within seven

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days that they in fact did not get good coverage, the consumer would be eligible to cancel.

Results overview

Of the 53 shoppers (the total sample) that visited T-Mobile stores:

- 38 (72%) were correctly told that they would have the option to cancel their mobile phone contract if they found they had issues with coverage.
- 10 (19%) were told they would not be able to cancel
- 5 (10%) were either told by sales advisors that they did not know whether or not a consumer would be able to cancel for coverage reasons, or sales advisors did not acknowledge that coverage issues may exist.

100% of the 38 shoppers that were told they could cancel due to coverage issues were told that there was a time limit for cancellations.

Of the 38 shoppers that were told there was a time limit on cancellations:

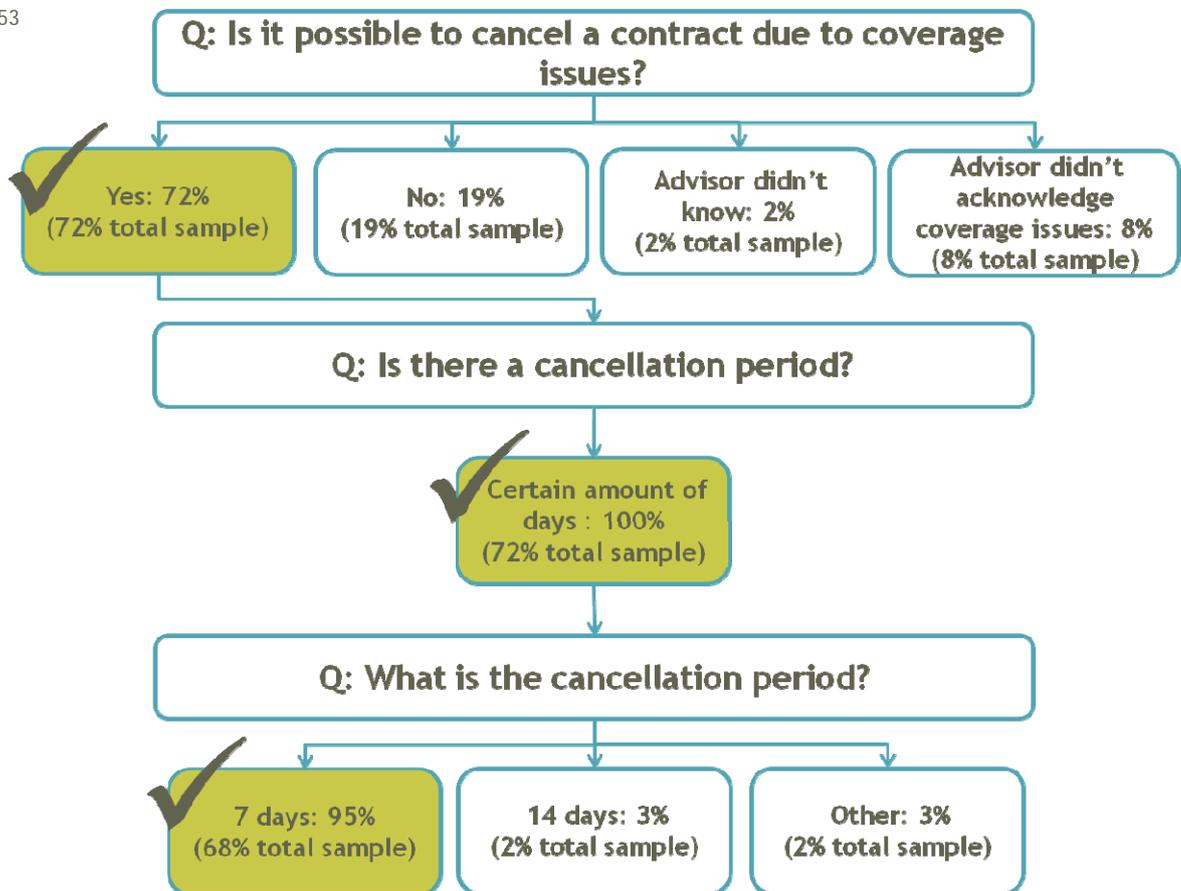
- 36 (95%) were correctly told that the deadline was 7 days from purchase - 68% of the total sample.
- 2 were either told that the deadline was 5 or 14 days - 4% of the total sample.

Overall, 68% of shoppers in the study were given the accurate, specific information about T-Mobile's in-store policy for returns on the basis of poor coverage.

Fig 6.5 T-Mobile in-store evaluations results tree

T-Mobile's coverage returns policy for voice and text: 7 days
 % shoppers given accurate general information about whether or not they can cancel : 72%
 % shoppers given accurate specific information about the policy, including any deadline : 68%

Base n=53



15% of shoppers were given information about their ability to cancel, whether accurate or not, without needing to prompt the sales advisor. 81% received information after prompting and 4% of shoppers did not receive any information even after prompting the sales advisor. 8% of shoppers spoke to more than one sales advisor during their visit.

6.1.6 Virgin Mobile in-store evaluations

Over two-thirds (72%) of shoppers in Virgin Mobile stores were told, correctly, that they would have 28 days to cancel their contract if they found they had coverage issues.

At the time of fieldwork, Virgin Mobile offered all its consumers a 28-day 'consumer satisfaction guarantee'. This policy is applicable to all Virgin Mobile consumers and allows cancellation for any reason within 28-days of purchase.²⁴

²⁴ On return of the handset 'as new' and in its original packaging

Results overview

Of the 50 shoppers (the total sample) who visited Virgin Mobile's stores:

- 44 (88%) were told that they could cancel a contract due to coverage.
- 3 (6%) were told that it would not be possible to cancel.
- 3 (6%) were either told that the advisor did not know whether or not they could cancel, or the advisor did not acknowledge the possibility of coverage issues.

Of the 44 shoppers told that they would be able to cancel if they found they had problems with coverage:

- 42 (95%) were told that they would need to cancel within a certain number of days - 84% of the total sample
- 2 (4%) did not receive a specific answer about the terms of cancellation due to poor coverage

Of the 42 shoppers told they would need to cancel within a certain amount of days:

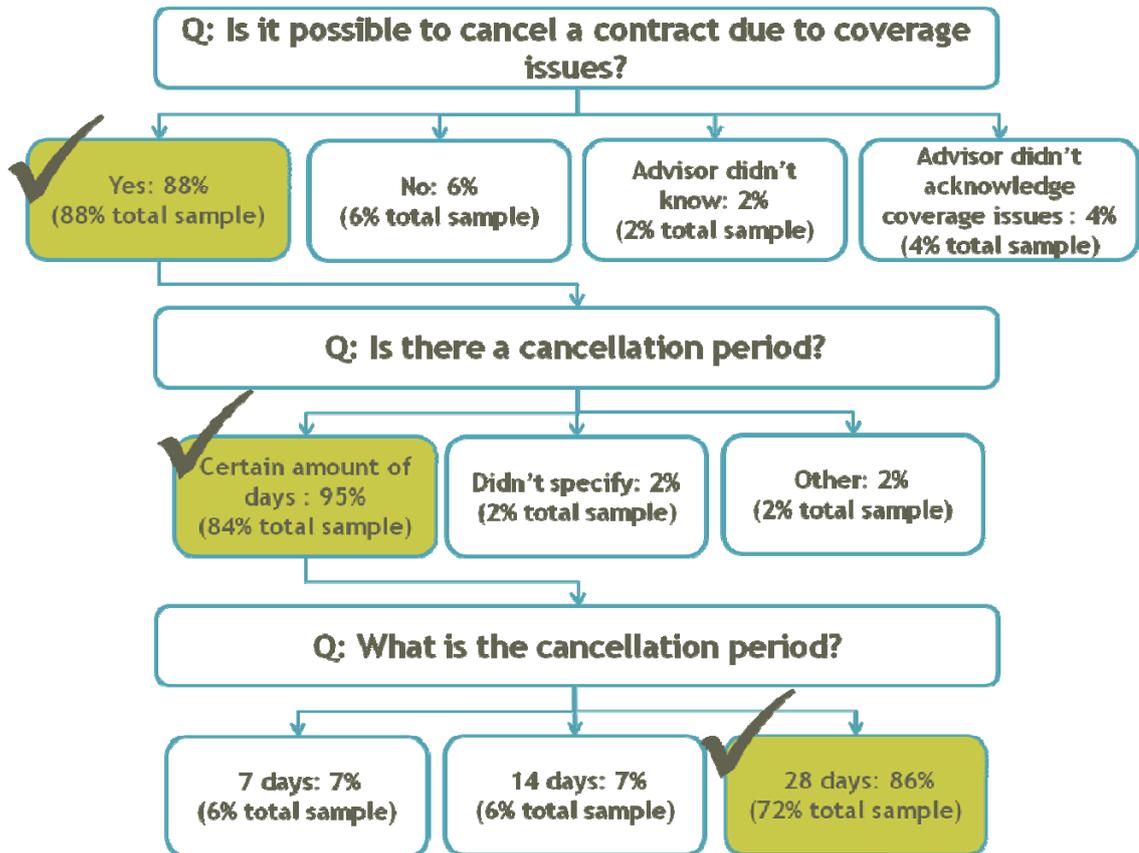
- 36 (86%) were correctly told the deadline was 28 days - 72% of the total sample.
- 6 (14%) were told they either had 7 or 14 days from the day of purchase to cancel their contracts - 12% of the total sample.

Overall, 70% of shoppers were given accurate information about Virgin Mobile's policy on cancellation due to poor coverage.

Fig 6.6 Virgin Mobile in-store evaluations results tree

Virgin Mobile's coverage returns policy for voice and text: 28 days
 % shoppers give accurate general information about whether or not they can cancel : 88%
 % shoppers given accurate specific information about the policy, including any deadline : 72%

Base n=50



Three quarters (72%) of shoppers in Virgin Mobile stores had to prompt sales advisors in order to receive information, whether accurate or otherwise, about their ability to cancel due to coverage problems. 22% received information unprompted and 6% did not receive any information even after probing. 8% of shoppers spoke to more than one sales advisor during the evaluation.

6.1.7 Vodafone in-store evaluations

58% of shoppers visiting a Vodafone store were told, correctly, that they could cancel due to coverage issues within 7 days of purchasing a contract.

The relevant Vodafone policy during the study's fieldwork period was its 7-day 'no network guarantee'. Consumers who purchased a mobile phone contract in one of Vodafone's stores and subsequently found they had issues with coverage had the right to cancel their contract within seven days of purchase. This policy was restricted to consumers who had issues with coverage.

Results overview

Of the 53 shoppers (the total sample) that visited Vodafone stores as part of the study:

- 36 (68%) were told, correctly, that they would be able to cancel their contract if they found that they had issues with coverage.
- 10 (19%) were told that they would not be able to cancel.
- 7 (13%) were either told by sales advisors that they did not know whether or not a consumer would be able to cancel for coverage reasons, or sales advisors did not acknowledge that coverage issues may exist.

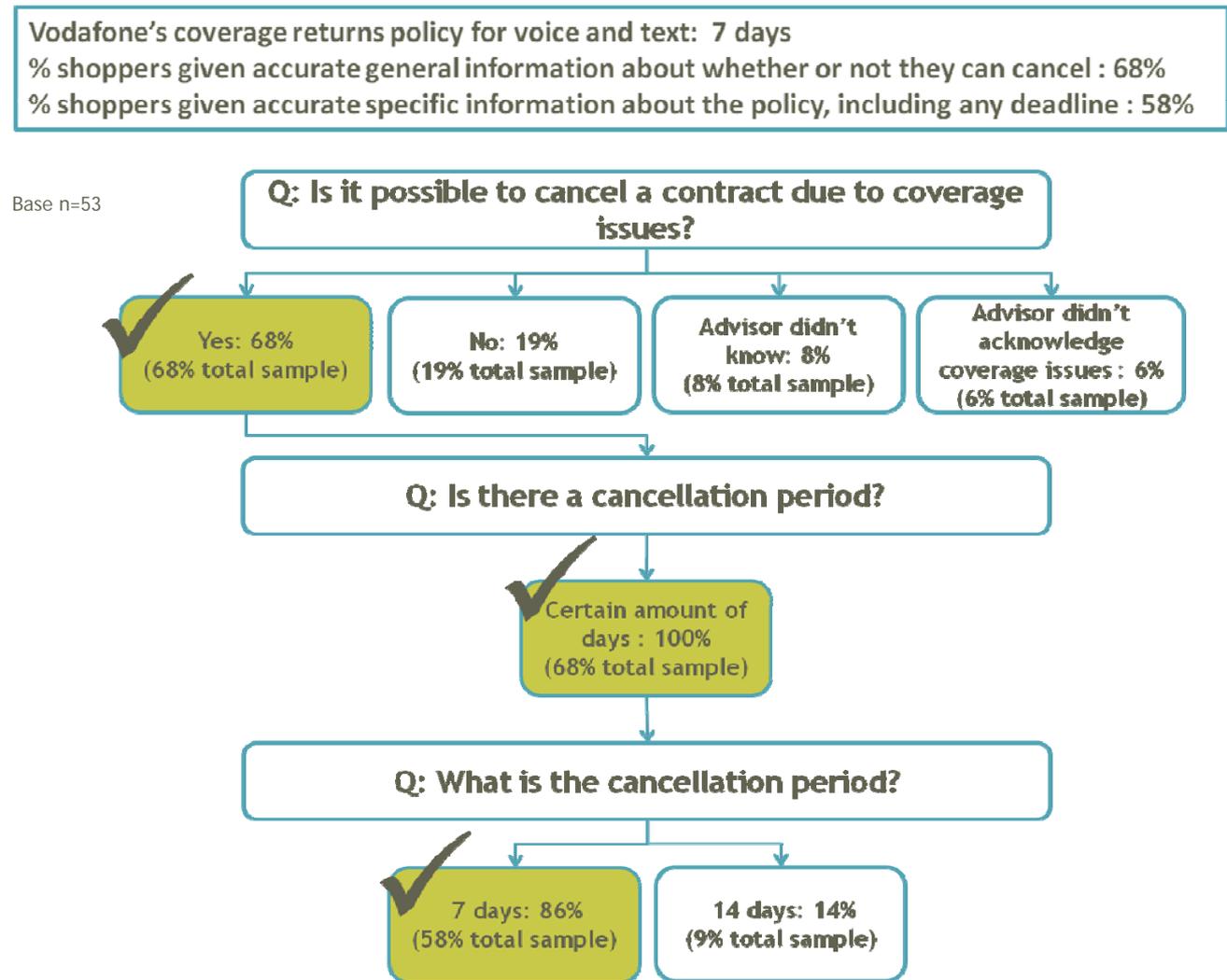
Of the 36 shoppers who were correctly told that they could cancel, 36 (100%) were told that they would have to do so within a certain amount of days.

Of the 36 shoppers told that they would have to cancel a contract within a certain number of days:

- 31 (86%) were given the correct seven day deadline - 58% of the total sample.
- 5 (14%) were told they would have 14 days in which to cancel - 9% of the total sample.

Overall, 58% of shoppers who visited Vodafone stores were given the accurate information that they would be able to cancel a mobile phone contract within seven days of purchase if they found they did not get the coverage they needed.

Fig 6.7 Vodafone in-store evaluations results tree



Most shoppers (82%) had to prompt a sales advisor to find out information, whether correct or not, about their ability to cancel a Vodafone mobile phone contract due to coverage issues. 15% were told information without prompting and 2% did not receive a satisfactory answer even after asking further question of the sales advisor. 8% of shoppers spoke to more than one sales advisor during their visit.

6.2 In-Store Evaluations in 3rd Party Retailers

Information given to potential consumers in third party retail stores was, on average, less accurate than information given in operators' own stores.

Overall, 59% of shoppers in Carphone Warehouse and 21% of shoppers in Phones 4u were provided with accurate general information about whether or not the retailers allowed them to cancel their contract due to poor voice and text coverage. 36% of shoppers were given both accurate general information and

accurate specific information about the details of any cancellation deadline that applied. However, this varied considerably both between the shops themselves and between the different operator contracts available through those shops. Shoppers in Carphone Warehouse stores were given accurate, specific information on average 56% of the time, whereas shoppers in Phones 4u were given accurate, specific information 4% of the time.

Information given about policies for cancellation of Virgin Mobile contracts was notably less accurate than for other operators in third-party retailers.

The returns policies in the third-party retailers do not mimic those given by the operators themselves, except in the case of O2 and Orange in Carphone Warehouse. H3G contracts bought in Phones 4u are subject to no cancellation deadline, as is the case for contracts bought in H3G’s own stores, but contracts bought in from the retailer should be swapped for contracts from other networks before the consumer would be allowed to cancel.

Table 6.3 Overview of 3rd party retailer results for in-store evaluations

	% of shoppers given accurate general information about whether or not they can cancel		% of shoppers given accurate specific information about the cancellation policy, including any deadline	
	CPW	P4U	CPW	P4U
H3G	69%	10%	69%	0%
O2	63%	34%	50%	6%
Orange	70%	32%	70%	6%
T-Mobile	65%	14%	65%	2%
Virgin Mobile	20%	8%	15%	0%
Vodafone	67%	30%	67%	8%
AVERAGE	59%	21%	56%	4%

Flow diagrams with the detailed figures per operator can be found in Annex C.

6.2.1 Carphone Warehouse in-store evaluations

57% of evaluations in Carphone Warehouse stores resulted in accurate specific information being given to the shopper about their ability to cancel a mobile phone contract

Carphone Warehouse operated two different cancellation policies applicable to coverage issues at the time of the study’s fieldwork. Carphone Warehouse sells mobile phone contracts (and pay as you go services) on behalf of most of the major mobile operators, and its cancellation policies depended on which operator a consumer bought from them. The cancellation policies for the operators tested in Carphone Warehouse stores at the time of the fieldwork were:

Table 6.4 Overview of Carphone Warehouse in store cancellation policies

Operator	Policy
H3G	No cancellation
O2	14 days
Orange	No cancellation
T-Mobile	No cancellation
Virgin Mobile	14 days
Vodafone	No cancellation

Source: Carphone Warehouse

These policies differ from those offered by the operators themselves in all cases except O2 and Orange.

In addition to these policies, at the time of the fieldwork Carphone Warehouse was trialling in its Northern Ireland stores a unified 14-day returns policy for all operators.

Aggregated results overview

Each shopper that visited a Carphone Warehouse store asked about each of the six operator services listed above. 54 Carphone Warehouse stores were visited and six operators considered in each store, so the total aggregated sample for Carphone Warehouse in-store operator evaluations is 54*6=324.

Out of 324 evaluations (the total aggregated sample), 191 (59%) resulted in accurate general information about whether or not they can cancel a contract on the basis of coverage.

Out of the 191 evaluations that resulted in the correct general information about whether or not a contract could be cancelled on the basis of coverage, 184 (96%)

were given accurate specific information about the cancellation policy, including any cancellation deadline. This equates to 56% of the total sample.

Table 6.5 Overview of Carphone Warehouse results for in-store evaluations

Operator	% of shoppers given accurate general information about whether or not they can cancel	% of shoppers given accurate specific information about the cancellation policy, including any deadline
H3G	69%	69%
O2	63%	50%
Orange	71%	71%
T-Mobile	65%	65%
Virgin Mobile	20%	15%
Vodafone	67%	67%
AVERAGE	59%	56%

Note: all operator numbers above are given as a percentage of the operator's total sample tested in Carphone Warehouse; average numbers are given as a percentage of the total aggregated sample of all operators tested in the retailer.

The full operator results diagrams for Carphone Warehouse can be found in annex C.

6.2.1.1 Carphone Warehouse - H3G results overview

Overall, 69% of shoppers were correctly told that they could not cancel an H3G contract bought in a Carphone Warehouse store, or, in Northern Ireland, were correctly told that they had 14 days to cancel.

Out of 54 shoppers (the operator sample) who asked about H3G contracts in Carphone Warehouse:

- 34 (63%) shoppers in Great Britain²⁵ were correctly told they could not cancel a mobile phone contract due to coverage issues and 3 (6%) shoppers in Northern Ireland were correctly told that they would be able

²⁵ Great Britain includes England, Scotland and Wales but not Northern Ireland.

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to cancel their contract. Thus 69% of the operator sample was given the correct general information about whether or not they would be able to cancel.

- 7 shoppers (13%) in Great Britain were told, incorrectly, that they would be able to cancel.
- 10 (19%) were told either told that the advisor did not know or did not acknowledge coverage issues.

Of the 3 (6%) Northern Ireland shoppers who were told correctly that they could cancel, 100% were told the right deadline for cancellation - 6% of the total sample.

6.2.1.2 Carphone Warehouse - O2 results overview

Overall, 50% of shoppers were correctly told that they would be able to cancel an O2 contract that they had bought from a Carphone Warehouse store within 14 days of purchase.

Out of 54 shoppers (the operator sample) who asked about O2 mobile phone contracts in Carphone Warehouse stores:

- 34 (63%) were correctly told that they would be able to cancel a contract if they had problems with coverage.
- 12 (22%) were told that they would not be able to cancel.
- 6 (11%) were told that the sales advisor did not know.
- In two cases (4%), the sales advisor did not acknowledge that the consumer might experience coverage issues.

Out of the 34 shoppers who were told they would be able to cancel on the basis of poor coverage:

- 32 (94%) were told, correctly, that they would need to cancel within a certain number of days after purchase - 59% of the operator sample.
- 2 (6%) were not given any specific terms under which they could cancel - 4% of the operator sample.

Out of the 32 shoppers who were told they would have to cancel within a certain number of days:

- 27 (84%) were told the correct 14-day deadline - 50% of the operator sample.

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- 5 (16%) were told they would have 3 or 7 days in which to cancel - 9% of the operator sample.

6.2.1.3 Carphone Warehouse - Orange results overview

Overall, 71% of shoppers were correctly told that they could not cancel an Orange contract bought in a Carphone Warehouse store in Great Britain, or that they would have 14 days to cancel in Northern Ireland.

Of the 54 shoppers (the operator sample) who asked about Orange mobile phone contracts in Carphone Warehouse stores

- 35 (65%) shoppers in Great Britain were correctly told they could not cancel a contract due to coverage issues and 3 shoppers (6%) in Northern Ireland were correctly told that they would be able to cancel their contract. Thus 71% of the operator sample was told the correct general information about whether or not they could cancel an Orange contract bought in a Carphone Warehouse store.
- 7 shoppers (13%) in Great Britain were incorrectly told that they would be able to cancel.
- 7 shoppers (13%) were told that the sales advisor did not know whether they would be able to cancel due to poor coverage.
- In 2 cases (4%) the sales advisor did not acknowledge the possibility of poor coverage.

Of the 3 Northern Ireland shoppers who were told correctly that they could cancel, 100% were told the right deadline for cancellation - 6% of the total sample.

6.2.1.4 Carphone Warehouse - T-Mobile results overview

Overall, 65% of shoppers were correctly told that they could not cancel a T-Mobile contract bought in a Carphone Warehouse store in Great Britain, or that they would have 14 days to cancel in Northern Ireland.

Of the 54 shoppers (the operator sample) who asked about T-Mobile contracts in Carphone Warehouse:

- 32 (59%) shoppers in Great Britain were correctly told they could not cancel a mobile phone contract due to coverage issues and 3 (6%) shoppers in Northern Ireland were correctly told that they would be able to cancel their contract. Thus 65% of the operator sample was told correctly whether or not they would be able to cancel a T-Mobile contract bought in a Carphone Warehouse store.

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- 9 (16%) shoppers in Great Britain were incorrectly told that they would be able to cancel
- 10 (19%) were either told that the advisor did not know or the advisor did not acknowledge coverage issues.

Of the 3 Northern Ireland shoppers who were told correctly that they could cancel, 100% were told the right deadline for cancellation - 6% of the total sample.

6.2.1.5 Carphone Warehouse - Virgin Mobile results overview

Overall, 15% of shoppers were correctly told that they would be able to cancel a Virgin Mobile contract that they had bought from a Carphone Warehouse store within 14 days of purchase.

Out of 54 shoppers (the operator sample) who asked about Virgin Mobile mobile phone contracts in Carphone Warehouse stores:

- 11 (20%) were correctly told that they would be able to cancel a contract if they had problems with coverage.
- 24 (44%) were told that they would not be able to cancel.
- 17 (31%) were told that the sales advisor did not know whether or not they would be able to cancel.
- 2 (4%) found that the sales advisor did not acknowledge the possibility of coverage issues.

Out of the 11 shoppers who were told they would be able to cancel on the basis of poor coverage, 100% were told, correctly, that they would need to cancel within a certain number of days after purchase - 20% of the operator sample.

Out of the 11 shoppers who were told they would have to cancel within a certain number of days:

- 8 (73%) were told the correct 14-day deadline - 15% of the operator sample.
- 3 (27%) were told they would have 3 or 7 days in which to cancel - 6% of the operator sample.

6.2.1.6 Carphone Warehouse - Vodafone results overview

Overall, 67% of shoppers were correctly told that they could not cancel a T-Mobile contract bought in a Carphone Warehouse store in Great Britain, or that they would have 14 days to cancel in Northern Ireland.

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Out of 54 shoppers (the operator sample) who asked about Vodafone contracts in Carphone Warehouse:

- 33 (61%) shoppers in Great Britain were correctly told they could not cancel a mobile phone contract due to coverage issues and 3 (6%) shoppers in Northern Ireland were correctly told that they would be able to cancel their contract. Thus 67% of the operator sample was told correctly whether or not they would be able to cancel a Vodafone contract bought in a Carphone Warehouse store.
- 8 (15%) shoppers in Great Britain were told that they would be able to cancel.
- 10 (19%) were told either that the advisor did not know or the advisor did not acknowledge coverage issues.

Out of the 3 Northern Ireland shoppers who were told correctly that they could cancel, 100% were told the right deadline for cancellation - 6% of the total sample.

6.2.2 Phones 4u in-store evaluations

4% evaluations in Phones 4u stores resulted in accurate specific information being given to consumers about their ability to cancel a contract due to coverage issues.

The relevant Phones 4u cancellation policy applicable at the time of the fieldwork allowed consumers to cancel a contract bought in a Phones 4u store at any time during the contract, if the consumer did not get the coverage required. However, the consumer had first to return to Phones 4u to discuss their situation and be willing to swap their service to another operator. If Phones 4u could not help the consumer get adequate coverage by moving them to different networks, the consumer would then be able to cancel their contract without penalty.

Aggregated results overview

Each shopper that visited a Phones 4u store asked about each of six services: H3G, O2, Orange, T-Mobile, Virgin Mobile and Vodafone. 50 Phones 4u stores were visited and the six operators were considered in each store, so the total aggregated sample for Phones 4u in-store operator evaluations is $50 \times 6 = 300$.

Out of 300 evaluations (the total aggregated sample):

- 64 (21%) resulted in accurate general information about whether or not it would be possible to cancel a contract on the basis of coverage.

Out of the 64 evaluations that resulted in accurate general information about whether or not a contract could be cancelled on the basis of coverage:

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- 11 (17%) resulted in accurate specific information including any cancellation deadline - 4% of the total sample.

Table 6.6 Overview of Phones 4u results for in-store evaluations

Operator	% of shoppers given accurate general information about whether or not they can cancel	% of shoppers given accurate specific information about the cancellation policy, including any deadline
H3G	10%	0%
O2	34%	6%
Orange	32%	6%
T-Mobile	14%	2%
Virgin Mobile	8%	0%
Vodafone	30%	8%
AVERAGE	21%	4%

Note: all operator numbers above are given as a percentage of the operator’s total sample, as tested in Phones 4u; average numbers are given as a percentage of the total aggregated sample of all operators tested in the retailer.

The full operator results diagrams for Phones 4u can be found in annex C.

6.2.2.1 Phones 4u - H3G results overview²⁶

No shoppers who asked about the possibility of cancelling H3G contracts bought in a Phones 4u store were given the correct information that they would be able to cancel at any point in the contract.

Of the 50 shoppers who spoke to Phones 4u sales advisors about whether they would be able to cancel an H3G contract if they had coverage issues:

- 5 (10%) were correctly told that they could cancel.
- 21 (42%) were told that they would not be able to cancel.
- 23 (46%) were told that the sales advisor did not know.

²⁶ At the time of the fieldwork, Phones 4u made available only a limited number of H3G SIM-only contracts in its stores, alongside pay-as-you-go offers. The retailer did not sell handsets for H3G contracts.

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- 1 (2%) found that the sales advisor did not acknowledge that there might be coverage issues.

Of the 5 shoppers who were, correctly, told they would be able to cancel their contract due to coverage issues:

- 1 (20%) was told that they would be able to cancel if they kept a printed copy of the coverage guidelines from the Phones 4u website as proof that they had reasonably been able to expect coverage. However, the sales advisor did not specify whether this was valid for only a certain number of days or whether it would be available throughout the entire contract.
- 4 (80%) were told that they would have to cancel within a certain number of days. The deadlines given were variously 7, 14 and 28 days.

No shoppers were given the correct information that they would be able to cancel at any point in the contract.

6.2.2.2 Phones 4u - O2 results overview

6% of shoppers asking about O2 contracts in a Phones 4u store were correctly told that they would be able to cancel due to coverage problems at any point in the contract.

Of the 50 shoppers (the operator sample) who spoke to Phones 4u sales advisors about whether they would be able to cancel an O2 contract on the basis of poor coverage:

- 17 (34%) were correctly told that cancellation was possible.
- 2 (4%) were told that it would not be possible to cancel.
- 10 (20%) found the sales advisor did not know.
- 1 (2%) found the advisor did not acknowledge that there might be coverage issues.

Of the 17 shoppers who were correctly told that they would be able to cancel:

- 3 (18%) were told correctly that they would be able to do so throughout the entire contract - 6% of the operator sample.
- 9 (53%) were told that they would have to cancel within a certain number of days - 18% of the operator sample.
- 4 (23%) were given other explanations including: cancellation only possible in "exceptional circumstances" and that cancellation was only

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possible if the service could be shown not to be fit for purpose i.e. no signal at all.

- 1 (6%) found the sales advisor did not specify the terms of cancellation.

6.2.2.3 Phones 4u - Orange results overview

6% of shoppers asking about Orange contracts in a Phones 4u store were correctly told that they would be able to cancel due to coverage problems at any point in the contract.

Of the 50 shoppers (the operator sample) who spoke to Phones 4u sales advisors about whether they would be able to cancel an Orange contract on the basis of poor coverage:

- 16 (32%) were correctly told that cancellation was possible.
- 24 (48%) were told that it would not be possible to cancel.
- 9 (18%) found the sales advisor did not know.
- 1 (2%) found the sales advisor did not acknowledge that there might be coverage issues.

Of the 16 shoppers who were correctly told that they would be able to cancel,

- 3 (19%) were told correctly that they would be able to do so throughout the entire contract - 6% of the operator sample.
- 7 (44%) were told that they would have to cancel within a certain number of days - 14% of the operator sample.
- 4 (25%) were given other explanations including: cancellation only possible in "exceptional circumstances" and that cancellation was only possible if the service could be shown not to be fit for purpose i.e. no signal at all.
- 1 (6%) found the sales advisor did not specify the terms of cancellation.

6.2.2.4 Phones 4u - T-Mobile results overview

2% of shoppers asking about T-Mobile contracts in a Phones 4u store were correctly told that they would be able to cancel due to coverage problems at any point in the contract.

Of the 50 shoppers (the operator sample) who spoke to Phones 4u sales advisors about whether they would be able to cancel a T-Mobile contract on the basis of poor coverage:

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- 7 (14%) were correctly told that cancellation was possible.
- 21 (42%) were told that it would not be possible to cancel.
- 20 (40%) found the sales advisor did not know.
- 2 (4%) found the sales advisors did not acknowledge that there might be coverage issues.

Of the 7 shoppers who were correctly told that they would be able to cancel:

- 1 (14%) was told correctly that they would be able to do so throughout the entire contract - 2% of the operator sample.
- 5 (71%) were told that they would have to cancel within a certain number of days - 10% of the operator sample.
- 1 (14%) was told that they would be able to cancel if they kept a printed copy of the coverage guidelines from the Phones 4u website as proof that they had reasonably been able to expect coverage. However, the sales advisor did not specify whether this was valid for only a certain number of days or whether it would be available throughout the entire contract.

6.2.2.5 Phones 4u - Virgin Mobile results overview

No shoppers asking about Virgin Mobile contracts in a Phones 4u store were correctly told that they would be able to cancel due to coverage problems at any point in the contract.

Of the 50 shoppers (the operator sample) who spoke to Phones 4u sales advisors about whether they would be able to cancel a Virgin Mobile contract on the basis of poor coverage:

- 4 (8%) were correctly told that, in general, cancellation was possible.
- 18 (36%) were told that it would not be possible to cancel.
- 25 (50%) found the sales advisor did not know.
- 3 (6%) found the sales advisors did not acknowledge that there might be coverage issues at all.

Of the 4 shoppers who were correctly told that they would be able to cancel:

- 3 (75%) were told that they would have to cancel within a certain number of days - 6% of the operator sample.
- 1 (25%) was told that they would be able to cancel if they kept a printed copy of the coverage guidelines from the Phones 4u website as proof that

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they had reasonably been able to expect coverage. However, the sales advisor did not specify whether this was valid for only a certain number of days or whether it would be available throughout the entire contract.

- No shoppers were given the accurate information that they would be able to cancel at any point during the contract term.
- The 3 shoppers who were told they would have a certain number of days to cancel were given deadlines of 7, 14 or 28 days.

6.2.2.6 Phones 4u - Vodafone results overview

8% of shoppers asking about Vodafone contracts in a Phones 4u store were correctly told that they would be able to cancel due to coverage problems at any point in the contract.

Of the 50 shoppers (the operator sample) who spoke to Phones 4u sales advisors about whether they would be able to cancel a Vodafone contract on the basis of poor coverage:

- 15 (30%) were correctly told that cancellation was possible.
- 25 (50%) were told that it would not be possible to cancel.
- 7 (14%) found the sales advisor did not know.
- 3 (6%) found the sales advisors did not acknowledge that there might be coverage issues.

Of the 15 shoppers who were correctly told that they would be able to cancel:

- 4 (27%) were told correctly that they would be able to do so throughout the entire contract - 8% of the operator sample.
- 6 (40%) were told that they would have to cancel within a certain number of days - 12% of the operator sample.
- 4 (27%) were given other explanations including: cancellation only possible in "exceptional circumstances" and that cancellation was only possible if the service could be shown not to be fit for purpose i.e. no signal at all - 8% of the operator sample.
- 1 (7%) found the sales advisor did not specify the terms of cancellation - 2% of the operator sample.

6.3 Ease of understanding of the information provided in store

The majority (80%) of shoppers who visited operator and third-party retail stores described the information they were provided with about coverage cancellation policies as 'easy to understand'.

Virgin Mobile stores (90%) were most highly rated on 'ease of understanding' by shoppers and were also one of the operators most likely to offer information about cancellation policies without prompting. Phones 4u (74%), Carphone Warehouse (72%) and Vodafone (72%) stores were least highly rated.

Ease of understanding was a subjective measure judged by each shopper based on the information given to them by sales advisors, whether orally or in any other form. These shoppers were professionals, so their experience might be expected to give them a greater level of understanding than ordinary consumers. It is possible, therefore, that the information given about cancellation policies might be more difficult to understand for ordinary consumers than the scores in the below table suggest.

Table 6.7: Ease of understanding information provided

	Shoppers described information provided on cancellation policy as 'easy to understand'
H3G	84%
O2	85%
Orange	78%
Tesco Mobile	83%
T-Mobile	81%
Virgin Mobile	90%
Vodafone	72%
* Carphone Warehouse	72%
* Phones 4u	74%
AVERAGE	80%

* third-party retailers were assessed only once on 'ease of understanding' and so included in this table along with the operators.

Section 7

Telesales Evaluations

The results in this section are reported at an aggregated level, as sample sizes are too low to produce robust results at the individual operator or retailer level.

7.1 Overview of telesales evaluations

Overall, operators and third-party retailers’ telesales advisors gave accurate general information about whether it was possible to cancel a contract due to coverage when buying a mobile phone contract over the phone in 83% of evaluations, and accurate specific information about the cancellation policy, including any deadlines, in 68% of evaluations.

Table 7.1 Overview of operator and 3rd party retailer results for telesales evaluations

	% of shoppers given accurate general information about whether or not they can cancel	% of shoppers given accurate specific information about the cancellation policy, including any deadline
Operators	90%	70%
Third-party retailers	78%	68%
Average	83%	68%

7.2 Operator Telesales Evaluations

Overall, 70% of telesales shoppers were given accurate specific information about the cancellation policy, including any deadline, by operator telesales advisors.

Most were reasonably good at informing shoppers about their ability to cancel in general but then tended to fall down when relaying accurate information about the cancellation period. 90% of telephone shoppers were told, correctly, by operator telesales advisors that it would be possible to cancel a contract on the basis of poor voice and text coverage. Only a minority of callers were told that it was not possible to cancel a contract, but some sales advisers did not acknowledge coverage issues and therefore gave no definite answer.

The majority (91%) of telephone shoppers described the information they were provided with about coverage cancellation policies as 'easy to understand'. 90% of telephone shoppers spoke to one sales adviser whilst the rest of shoppers spoke to two or more advisers.

7.3 Third-Party Retailer Telesales Evaluations

78% of telephone shoppers were given accurate general information about whether it would be possible to cancel a contract on the basis of poor voice and text coverage by third-party retailers' telesales advisors. Just over two-thirds (68%) of telephone shoppers were also given accurate specific information about the cancellation policy, including any deadline.

There was a high degree of consistency in the response of third-party retailers to questions about different operators' cancellation policies. This partly accounts for a majority of shoppers being given inaccurate information: if a telesales advisor gave wrong information about one operator, they were likely to give the same, wrong, information about other operators.

The majority (85%) of telephone shoppers described the information they were provided with about coverage cancellation policies as 'easy to understand'. 95% of telephone shoppers spoke to one sales adviser whilst the rest of shoppers spoke to two or more advisers.

Section 8

Web Evaluations

8.1 Purpose and Approach

Web Evaluations were undertaken by Synovate researchers for each operator and retailer to determine information available regarding cancellation policies and coverage.

Evaluations were conducted in two ways:

Purchase Process: playing role of a consumer who wants to enter a contract and checks whether he/she can find information about coverage and cancellation during the purchase process.

Information Search: playing role of a consumer who searches the operator website trying to find cancellation information because he/she is experiencing coverage issues.

An evaluation was conducted for each website by a researcher from the project team. In addition, 10 non-research staff were asked to conduct evaluations acting as regular consumers.

8.2 Outcome

It typically took two to three clicks from the homepage of an operator or retailer's online shop to find the information about relevant cancellation policies. The information was mostly deemed to be easy to find.

H3G specifies its 14 day returns policy in the third stage of the purchase process - the 'deal summary' once a plan and a mobile have been picked. A minimum of one to two clicks from the shop's homepage are required to get the information via the purchase process and a minimum of two clicks via an information search.

O2 reference the 14 day return policy in the second stage of the purchase process - 'selecting a tariff' - but have no specific returns policy based on coverage. A minimum of two clicks from the shop's homepage are required to get the information via the purchase process and a minimum of three via an information search.

Orange has a 14 day returns policy. A minimum of three clicks from the shop's homepage are required to get the information via the purchase process - 'Your

details' includes a link to the terms and conditions. It takes a minimum of three clicks to find the information via an information search.

Tesco Mobile has a 14 day returns policy on SIM-Only contracts²⁷ however there is no information on returns due to coverage. A minimum of two clicks from the shop's homepage are required to get the information via the purchase process, through the link to terms and conditions at the bottom of the page. It takes a minimum of two clicks to find the information via an information search.

T-Mobile has a 7-day return policy specified in the purchase process but not in its general terms and conditions. No information about returns on coverage is given. A minimum of three clicks are required from the online shop's homepage to get the information via the purchase process - 'Your basket' after having selected a phone and price plan. A minimum of three clicks are necessary via an information search.

Virgin Mobile offers a 28 day returns policy and also mentions the possibility of cancelling if services are no longer available. A minimum of three clicks are required to get the information via the purchase process, when selecting a price plan. It takes a minimum of two clicks to find the information via an information search.

Vodafone references its 7-day return policy in the second stage of the purchase process (selecting a price plan) but has no specific returns policy based on coverage. A minimum of three clicks are required from the online shop's homepage to get the information via the purchase process and a minimum of three via an information search.

Carphone Warehouse has a 14-day returns policy. Information about returns due to coverage depends on individual operator chosen. A minimum of two clicks are required to get the information via the purchase process, through a link to terms and conditions at the bottom of the page. It takes a minimum of two clicks to find the information via an information search.

Phones 4u information on returns is linked via the terms and conditions. A minimum of two clicks are required to get the information via the purchase process, through the link to terms and conditions at the bottom of the page. It takes a minimum of two clicks to find the information via an information search.

²⁷ Tesco Mobile sell only SIM-only contracts online

Section 9

In-Depth Interviews

The Communications Consumer Panel wished to collect anecdotal case studies that outlined consumers' attempts to cancel mobile phone contracts on the basis of coverage issues. The quantitative mystery shopping research outlined earlier in this report looked only at the information consumers are given about cancellation before purchase, so the Panel wished to add some qualitative data on consumers' actual experience of trying to cancel a contract.

Telephone interviews were conducted with consumers who had previously cancelled, or tried to cancel, a contract due to poor coverage independently of this research programme. These consumers were located via a pre-existing database of consumers who had indicated that they were willing to take part in market research surveys and interviews.

The case studies are purely anecdotal and should not be taken as statistically representative. Although the case studies correspond to real situations, no particular operator or third-party retailer is identified.

Overview of experiences

Feedback from consumers who tried to cancel a contract due to coverage issues suggests the actual cancellation process is not straightforward. Even those who are successful in cancelling a contract often find the process complicated and confusing. Difficulties experienced by respondents include the following:

- Cancellation periods expire whilst operators attempt to resolve the coverage issues. Consumers then find it difficult or impossible to cancel their contract.
- Confusion about which retail channel a consumer should use to cancel; for instance, consumers who bought in an operator store and try to cancel with consumer services over the phone can find they are bounced between the two before getting an answer to their problem.
- Consumers who bought a contract in a third party retailer may find it difficult to find someone who will take responsibility for sorting out the issue. Customers of retailers can be referred back to the operator, who may then refer the consumer back to the retailer and so on.

- Consumers not told about cancellation periods at the point of purchase, even when they asked questions about coverage problems. When the consumer then goes to the operator to complain about coverage, they are told that they cannot cancel because they were outside the cancellation deadline.
- Consumers told that they would not be able to cancel their contract because they had used the handset, even when the consumer complains that they would not have been able to test coverage without using the phone.

Case study 1

Background

This consumer, resident in Braintree, Essex, took out an 18-month mobile phone contract via the operator's telesales channel. The sales person had informed the consumer that he could change his mind within 14 days of buying the contract.

Issue

Upon receiving the phone, the consumer realised that he did not get good coverage. He often would only get one signal bar which led to calls being cut off or him not being able to connect to the mobile internet on his handset.

Complaint Process

As soon as he noticed the problem, he called the operator's customer services to cancel the contract. Customer services advised him to go to their store. When he went to a local store, he was informed that, since the contract was bought over the phone and not in-store or online, store staff could not help him.

He called the operator's customer services immediately from the store and asked them for further guidance. He was then given a return envelope to return the phone. After three days he received a call from customer services and he told them about his coverage problems. The operator tried to keep him by offering another contract with more minutes. However by this point the consumer had lost all interest and wanted to cancel his contract.

Outcome

Within a week of buying the contract the consumer managed to cancel the contract. However the consumer would have liked to avoid the hassle of having to go to a store and then being told to call customer services again. He was pleased with the service he received in store but was disappointed with the way the operator handled his case.

Case Study 2

Background

This consumer, resident in South-East London, took out a mobile phone contract and a mobile broadband contract (dongle). She was told by the shop assistant that for the mobile phone, she could cancel the contract within the first few days if she experienced any technical problems or coverage issues. However, for the mobile broadband dongle she would only have half as long to take advantage of the option to cancel the contract, with no cancellation options after that period.

Issue

Within the first week she started experiencing coverage problems with her mobile phone, as calls were dropping off after the first one or two minutes. The broadband dongle was not working at all, and she was unable to use it to connect to the internet.

Complaint Process

As soon as she noticed the problem with the broadband dongle, still within the cancellation period, she called the operator's customer service who told her that sometimes the service could take up to three days to normalise. After this period she contacted the operator's technical department who advised her to leave it overnight before trying to use it again. However that did not solve the problem, so she decided to call the customer service department once again to cancel the contract. When she did this, she was informed that the cooling-off period had expired and it was now impossible to cancel the contract. They agreed to replace the dongle but that did not solve the problem. When she contacted the operator again, they said that the problem could not be the coverage, since she was living in a good coverage area, refusing to replace the dongle again.

She also called and wrote several letters to the customer service department regarding the coverage issues with her phone. She was told that there was nothing that they could do about it, and at one point she was even accused of making up the story in order to terminate the contract.

Outcome

After four months of calling the operator, sending several letters and e-mails without getting a satisfactory answer, she decided to give up and bought a pay-as-you-go phone with another provider, just to make sure that she was able to make and receive calls. She is still on the contract, paying for it every month but unable to use either the dongle or the phone, as the coverage problems have not been resolved and calls keep dropping off. She is disappointed with the operator, and feels unprotected and powerless as a consumer.

Case Study 3

Background

This consumer in Hungerford, Berkshire had bought an 18-month contract with a third-party retailer. His phone arrived 5 days after purchasing it online.

Issue

Once he started using the phone he noticed that the signal was poor for both voice calls and internet. Whilst buying the contract he was told his area would get “99.7% coverage” but when he checked it himself, his area was a black spot.

Complaint Process

He called the retailer after realising the coverage issue. The retailer asked him to contact the operator and also informed him that it could not help him as he was beyond the five day cooling-off period. The consumer was confused as it was the fifth day when he made the call.

He then called the operator to get his contract cancelled. He was told that cancellation was not possible because it was past the cooling-off period, i.e. five days. He was also told his area gets good coverage. Customer services did not seem to act on this case and our respondent waited for nearly two months.

After several calls to the operator, the consumer was able to speak to a manager who advised him to go back to the retailer, as they had sold him the contract. He asked whether the operator could help him since it was their coverage that was the issue. However, the operator told him that they would not be able to cancel his contract.

He began contacting the retailer again and spoke to a manager who acknowledged the issue and agreed to cancel the contract on payment of one month's usage.

Outcome

Our respondent managed to cancel the contract after two months. Although happy with the outcome, the lapse of time and amount charged was disappointing for him. He also felt that he was sold the phone under false pretences and only after constant calls to both the operator and the retailer, he managed to cancel his contract.

Case Study 4

Background

This consumer in Redhill, Surrey bought a contract after visiting an operator's retail store whilst on holiday. During the stay she got good coverage but when coming home she realised the coverage was poor.

Issue

The consumer realised that calls were cutting off and her internet connectivity was poor. She decided to call the operator's customer services to cancel her contract.

Complaint Process

When she called customer services she was assured that she lived in an area with good coverage. Upon insisting on cancelling her contract, she was asked to go into a store to cancel. She was informed that this was because she had bought the contract in store and, since each store was a franchise, contracts taken out in store could not be cancelled over the phone.

She informed them that she bought the contract in store when she was on holiday and she insisted she get her contract cancelled. However, the operator's customer services advisor declined.

Outcome

Our respondent did not manage to cancel the contract but ended the contract as soon as she finished the contract term. During the entire cancellation experience, she was confused as to why the operator kept directing her in store to cancel the contract.

Case Study 5

Background

This consumer from Hull, Yorkshire bought a contract in an operator's store. He was not told about any cooling-off periods.

Issue

He noticed the next day that calls were cutting off and he did not have a sufficient signal.

Complaint Process

He went to the store the next day to cancel the contract and was asked to contact the call centre. When he called the call centre, he was told that repair work was taking place in his area, once the work finished he would get a good signal again. This kept happening for two weeks. On the 16th day he called them back and asked for an update, they informed him that the work they were doing was completed. He still didn't get a good signal so told them he would like to cancel. In response, he was told that he would need to pay £30 administrative charges to cancel his contract as the cooling off period had passed.

Outcome

He managed to cancel the contract by paying £30.

Case Study 6

Background

This consumer from London bought a contract in an operator's store.

Issue

She was unable to make or take calls at home and in her home office. The phone was freezing in addition to not having coverage and within the first two weeks the operator exchanged the handset. However, the coverage problem remained.

Complaint Process

She phoned the operator and told them that her reception was hopeless. They then checked her area for 'black spots' of coverage but didn't find any. She was annoyed that they didn't check her coverage when she bought her phone. The operator then told her she couldn't cancel any longer as the cancellation period had passed.

Outcome

She did not manage to cancel the contract and remains frustrated as the cancellation period passed whilst she waited to have her phone exchanged.

Case Study 7

Background

This consumer from Edinburgh bought a contract in a third-party retail store.

Issue

The retailer did not mention a cooling off period when she bought her phone. When she got home that day she had no signal in the entire house except a tiny spot on a window sill.

Complaint Process

When she realised that she had no coverage she went back to the retailer the next day to complain about the poor coverage. They told her it wasn't possible to cancel but phoned the operator, which did a coverage check on her postcode and said that the coverage at her address was 'alright'. The operator told her that work was being done in her area and that it would be finished by 5pm that day and coverage would improve then. It did not.

Outcome

She is still paying for the contract but moved house and now has good reception.

Case Study 8

Background

This consumer from Teignmouth, Devon bought a 24-month contract in an operator store. She lives on a hill and even suggested that the area might have coverage problems before signing the contract. Therefore, the operator checked the coverage using her postcode and they said that coverage was perfect. The operator did not tell her about any cancellation period.

Issue

She does not get a signal inside her home.

Complaint Process

She works long hours, so it is difficult for her to go to a store. When she went to the operator store to complain, she was told that her cooling off period had expired.

Outcome

"If I'd had known that the cooling off period was just [a few] days I'd have gone back to the shop immediately". She is still paying for the contract.

Case Study 9

Background

This consumer from Perth, Scotland bought a contract in a third-party retail store.

Issue

Coverage is only available in some spots in his house.

Complaint Process

When speaking to the retailer, he was asked to contact the operator. He called their call centre and explained the problem. The operator insisted that he had coverage. He mentioned that he only had coverage in certain spots in the house but not everywhere. He told them that it did not make sense for him to pay for a service that he couldn't fully use.

Outcome

At one point he managed to get through to a supervisor in the operator's call centre who managed to cancel the contract for him. The consumer was disappointed by the various ways the operator tried to keep him in the contract.

Case Study 10

Background

This consumer from Windsor, Berkshire bought a contract in an operator store.

Issue

He had no coverage in his house and had to wander around to get a signal.

Complaint Process

He called customer services and they asked him to wait for a week to check if the coverage got any better. After another week of poor coverage, he called them up again and he was asked to wait for another week.

Outcome

After some more weeks, he asked for the contract to be cancelled, which they did so "amicably".

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