

Note of meeting from the Ofcom Consumer Panel: advice to Ofcom

CONSUMER
PANEL

Ofcom
OFFICE OF COMMUNICATIONS

Title of Ofcom Project:	Migrations, switching and mis-selling
Date:	22 November 2005
Author:	Georgia Klein
Advice given at meeting	
Date:	18 November 2005
Attendees: Ofcom Panel	[REDACTED] Roger Darlington Georgia Klein
Paper no.	AO/37.....
Ofcom milestone(s)	Policy Executive 23 November 2005

Code of Practice on sales and marketing

1. The Panel welcomed Ofcom making the voluntary code of practice mandatory as it had advised in the Panel's submission on the consultation document. However, it would have been preferable if one standard code had been developed in partnership with industry.
2. This would have been more efficient than Ofcom's approach which permitted companies to draft their own. As a result of Ofcom's approach, Ofcom were required to conduct an investigation and pursue companies to ensure they had codes in place and that they complied with Ofcom guidance.
3. The Panel envisaged that the standard mandatory code would set out minimum standards. Suppliers would be able to go beyond these minimum standards by supplementing the basic code. If suppliers found that parts of the code were not applicable to them then they could amend the code but would need to draw Ofcom's attention to this departure from the standard code and seek approval for it.

The Panel therefore advises Ofcom:

- A) In future, to develop standard codes in partnership with industry which set out minimum standards rather than permitting industry to draft their own.

Tackling mis-selling by larger companies

4. The Panel still has concerns about the levels of mis-selling practices. Ofcom's enforcement practices are currently only dealing with smaller companies.

The Panel therefore advises Ofcom to:

B) Expand its mis-selling investigation and enforcement activities to include larger companies.

Information to consumers

5. In our advice to the Ofcom board on the consumer policy review (179(05)), we stated:

"It is important that Ofcom develops its policy on information provision from a strong evidence-base about the consumer experience, detriment and how people absorb and retain information. Together, with Ofcom, the Panel has identified a number of gaps in Ofcom's evidence base. These broadly include: understanding the switching decision-making process for different consumer segments; cost awareness; preferences for and use of information; and the purchasing experience. The Panel welcomes Ofcom responding to these identified gaps with a commitment to further consult the Panel on the nature of the research required and a commitment to conduct it as soon as possible in order to strengthen the consumer policy review consultation."

6. We recommended that Ofcom delay the consumer policy review consultation until this research is completed and its implications for policy have been identified.

7. Of pertinence to this consultation, should the research indicate a need, some, but not all Panel members, suggested that Ofcom could provide information on the switching process and what their rights are where to go and what to do if things go wrong as well as alerting them to the poor sales practices of named companies.

The Panel therefore advises Ofcom to:

A) Conduct the necessary research to 'fill in the gaps' on its evidence-base about consumers' information needs as soon as possible.

B) Delay the consumer policy review consultation until this research is completed and its implications for policy have been identified.

C) Incorporate the conclusions about information provision from the consumer policy review into policy relating to migrations, mis-selling and switching.

A single customer code

The Panel advises Ofcom to:

D) Ensure the use of a single customer-owned code used across communications services to enable consumers to switch more easily and control slamming.