

## Consumer Panel: advice to Ofcom



<b>Title of Ofcom Project:</b>	Telephone Preference Service
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1. The Ofcom Consumer Panel considered at its meeting on 12 June 2007, the update on the Telephone Preference Service provided by Xxxxxx Xxxxxxxx of Ofcom's Consumer Policy team.
2. The Panel has raised the question of the effectiveness of the TPS on a number of occasions with Ofcom colleagues and was grateful for this paper, which usefully summarises developments and initiatives.
3. The Panel notes that registrations under TPS have increased considerably in 2006. With some 14.5 million people opted out from telephone sales calls, the scheme is important, and the scale of take-up expresses a clear public preference. The effective operation of the Telephone Preference Service is particularly important to a number of vulnerable consumer groups. The elderly, the disabled, those living alone may be caused particular distress and inconvenience by unwanted telephone sales calls. For these reasons, a fully functioning system in which there is effective complaint handling and proper deterrents companies to make sales calls responsibly, and careful checking of the TPS database are, in the Panel's view, important in the public interest.
4. The Panel notes that the update suggests that "Telephone Preference Service Limited (TPSL) exercises its primary functions efficiently". It would be interested to see background evidence on this. Are productivity and efficiency measures published? What form of review and order is carried out of TPSL's operating performance?
5. Panel members have experienced inefficient service from TPSL. Complaints logged on the web have neither been answered nor followed up. Is Ofcom now satisfied that these situations will not recur?
6. The update from Ofcom set out the rather protracted discussions with the Information Commissioner's office on enforcement. It is clearly unfortunate that enforcement notices on non-compliant companies were served only for the first time in December 2006.

7. It is more encouraging that the joint Ofcom/ICO letter of understanding has now been signed. The Panel is of the view that Ofcom should not hesitate itself to take enforcement action if there is any sign that this is not being handled effectively.
8. The Panel is pleased that the Department of Trade and Industry has made persistent efforts to improve the service in respect of complaints.
9. The Panel would suggest that Ofcom test the satisfactory functioning of the system as improved by the DTI-led initiatives by carrying out a careful programme of test customers complaints using the TPS procedures, following up the results and reporting on progress to the Ofcom Board and to the Panel.
10. The Panel notes the issues surrounding the publication of TPS complaints data. The Panel is firmly of the view that the complaints data should be published without delay. Publication is clearly in the public interest as it helps provide an assessment of the scale of the problem, the working of the TPS system, the need for enforcement action as well as providing a disincentive for companies which are infringing the TPS rules on a regular basis.
11. The Panel would be grateful if Ofcom could confirm that the data will now be published, subject of course to any explanatory notes which may be necessary to give a true and fair view of the data.
12. In the update from Ofcom, it was stated that the Department of Trade and Industry has suggested sponsoring a statutory instrument to bolster enforcement powers but that “this initiative has not been concluded”. The Panel would very much support this idea and will write to the appropriate Government Minister to this effect.
13. Finally, in previous discussions with Ofcom colleagues on this subject, the Panel has drawn attention to the impressive operation of the United States’ ‘do not call’ scheme. This scheme seems to have operated effectively without running into the difficulties set out in the update note and with a penalty regime sufficient to deter rule-breaking companies. The Panel repeats its suggestion that Ofcom make a careful study of the reasons for the success of the ‘do not call’ system when compared with the rather uncertain progress of the TPS scheme.

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