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NON-CONFIDENTIAL

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Dear Stephen

**Hutchison 3G UK Limited (Three) response to Ofcom's Review of the Metering and Billing Direction**

This is Three's response to Ofcom's review of the Metering and Billing Direction. Three is grateful for the opportunity to comment on Ofcom's proposals. This response builds on our input into Ofcom's reviews of the metering and billing Direction in 2013 and is, therefore, limited to responses to the specific questions put by Ofcom.

Three believes that high quality, accurate and timely billing is an integral part of the customer's experience. Customers trust in our products and services by knowing that they only pay for the services and other products they use and consume. We recognize that getting billing right is a fundamental customer service requirement and that there is a responsibility on Communication Providers to ensure billing is both accurate and to the highest standards.

The standards associated with billing are, however, not necessary a consequence of the Ofcom Direction but are fundamental if Communication providers are to maintain their brand and customer satisfaction as well as to avoid the costs associated with billing queries.

**Three's Responses to Consultation Questions**

**Q1: We invite stakeholders' views on the proposed removal of target-based requirements across the retail services and evidence to support their views.**

Three welcomes Ofcom's proposal to remove target-based requirements across retail services. These changes are overdue. Ofcom correctly identified in its 2013 review of the Metering and Billing Direction that although accuracy and tolerances were fundamental to a target based approach they, nonetheless, had been in place for a number of years and were in need of revision. The proposed changes in the current review demonstrates that Ofcom are proactively amending their own policies as a means to simplify the existing regulation. This is to be welcomed.

Three agrees with Ofcom's decision of the removal of target-based requirement and welcomes the decision to move towards a process based Direction. The primary focus of the Direction must be to ensure the retail customer can have total trust in their phone bill. However, we suggest that as there are no industry wide KPI's, the Approval Bodies (AB's) should lead work on the development of a measurement framework that might be adopted across the industry.

**Q2: We invite stakeholders' views and evidence on the practicality of the proposed new timeframe for approval as set out in paragraph 5.1 of the draft new direction.**

Three agrees with the Ofcom proposal to amend the timescales both for application approval as well as demonstrating compliance. The 48 month timescale was necessary to address repeated non-compliance with a target based Direction. This new amendment complements the changes to EPFs (Exceptional Performance Failure). Three believes these changes are working in the direction to ensure billing is both accurate and to the highest standard, ensuring customers can have total trust in their phone bill. The reduction of the timescales is fully in line with a simplification of the requirements in the Direction.

**Q3: We invite stakeholders' views on whether the proposed revised definition of EPF could be workable. We also welcome any alternative suggestions for the definition.**

Three agrees with the revised definition of EPFs. However, we believe this needs to be furthered and that Ofcom should seek to provide a clearer definition of a spike. In the absence of such a definition, we are concerned that this will lead to largely subjective interpretations of what constitutes an EPF and an absence of certainty needed for planning and systems development.

The statement of 'movement away from monitored performance is vague and we propose this should be removed, or alternatively be more clearly defined. Specific actions should be taken to ensure the AB's will apply consistent interpretations of what constitutes an EPF. Whilst Three acknowledges these changes are intended as a means of simplifying the existing regulation, we would suggest a definition be published in line with a process based approach.

**Q4: We invite stakeholders' views on the proposed timeframe for delivery of CDRs as set out in paragraphs 7.1 of the Direction. If you do not agree, please provide evidence to support an alternative approach or timeframe.**

Three welcomes the changes proposed for the Metering and Billing direction in relation to CDRs, and in principle agrees with the changes on timeframes for delivery of CDRs. However, the 60 day CDR deliverable may not in practice be achievable in all circumstances. Agreements constituting a number of parties are common across the industry; such complex chains where each party is dependent on the CDR of a third or fourth party can cause delay. It follows that the proposed timeframes may require revision where multiple suppliers or providers are involved, and longer lead times might be necessary.

**Q5: We invite stakeholders' views on the proposed non-material changes to the Direction**

Three agrees with the proposed non-material changes to the Direction.

**Q6: We invite suggestions on these and other ways in which awareness of the scheme can be promoted.**

Three is satisfied with the level of awareness the scheme currently has. Three does not feel that customer awareness is currently a concern. Increasing awareness would not necessarily lead to any benefits to the customer nor do Three believe a change would be proportionate or a cost effective

means of addressing an issue that isn't currently defined. It is not clear how a logo or kitemark would work given that the Direction could not fully cover all charges on a customer's bill.

Overall, Three is satisfied with the change to the direction proposed by Ofcom and welcomes the changes suggested. We believe that these will only be positive changes simplifying the existing regulation whilst maintaining the objective to ensure customers can have total trust in their bills and that they completely represent the usage and charges as expected.

We would of course be happy to discuss any of the matters raised further, if that would be of assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Miller', written in a cursive style.

Simon Miller

Consumer Regulation Policy Manager

