

Communications Consumer Panel and ACOD's response to Ofcom's proposals to amend its Treating Vulnerable Customers Fairly guide

About us

The Communications Consumer Panel, established by the Communications Act 2003, is a group of independent experts with direct sectoral experience. We ensure the voice of UK consumers, citizens and micro-businesses is represented in communications policy development.

The Panel's job is to ensure that the sector works for consumers, citizens and micro businesses - and in particular people who may be in a more vulnerable position in society. We carry out research, provide advice and encourage Ofcom, governments, industry and others to look at issues through the eyes of consumers, citizens and micro businesses.

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

Four members of the Panel also represent the interests of consumers in England, Northern Ireland, Scotland and Wales respectively. They liaise with the key stakeholders in the Nations to understand the perspectives of consumers in all parts of the UK and input these perspectives to the Panel's consideration of issues. Following the alignment of ACOD (the Advisory Committee for Older and Disabled people) with the Panel, the Panel is more alert than ever to the interests of older and disabled consumers and citizens.

Our response

We welcome the opportunity to respond to Ofcom's consultation on its '[Treating vulnerable customers fairly guide](#)': [Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#) having previously responded to their [call for input](#) on behalf of consumers in debt.

We welcome Ofcom's attention to treating consumers fairly who may find themselves more vulnerable in the communications market for any of various reasons. We have consistently urged Ofcom to focus on fairness for all consumers when designing policy interventions (including fairness for micro-businesses and citizens).

In our response to Ofcom's call for inputs, we highlighted the plight of 'Kayla', a participant in the Panel's research into the experiences of consumers living in low-income households, using communications services ('Don't Cut Me Off!' - a vicious circle of debt accumulation in telecoms' (independent research for the Communications Consumer Panel, 2019)

"I've been calling them again and again. I've been passed from pillar to post so many times. Then I get a bill for my mobile and it's massive. It's like I'm accumulating debt trying to resolve paying off debt. How can that be right?"

Kayla (18-25 years, living alone, not working, Bristol)

The research highlighted the fear some consumers have that their service would be cut off if they have difficulties paying for their service. This would exclude them from vital everyday connections and activities. Participants relied on communications services as an essential conduit to other essential services and as a practical and emotional link to their support network, work and benefits, and recreation.

“Mobile phones and internet are so important in everyday life now. You use it every day. It is something they take advantage of because they know you will pay it above everything else. I would prioritise that over my gas and electric some months as I know that my gas and electric are not going to cut me off.” (Claire, single parent, 25 - 34, not working, Croydon)

The Covid pandemic and beyond

Since the start of the pandemic and during the current cost-of-living crisis, we have continued to listen closely to the needs of consumers, citizens and micro-businesses, on the financial barriers to their access to communications services. Our view is that communications services overall are an essential service; and that consumers in financial difficulty - including those in debt - should be supported back to capability and not cut off, have intensified.

We have argued that industry should provide a basic, affordable connectivity service to all UK consumers, regardless of circumstances. A standard service should align with recommended speeds across the UK and meet consumer needs, reflecting the fast-paced nature of the digital market. We note the low take-up of social tariffs by consumers who are entitled to them. We welcome Ofcom’s awareness-raising campaign to highlight social and low-cost tariffs.

We note that some, ie social tariffs have strict qualifying criteria, but we have urged communications providers to move financially vulnerable consumers to lower cost tariffs to enable them to stay connected, where possible. This may require proactive engagement with consumers, but may also enable the provider to retain customers.

Financial vulnerability and debt

Any consumer can become financially vulnerable, almost at a moment’s notice, whether through redundancy, costs related to an illness or disability, unexpectedly unaffordable bills or any combination of these. The current context is likely to see more consumers struggling to pay their bills, and we believe it is vital that the communications sector is responsive to the changing needs of consumers, so that they can be empowered to stay connected and prevent themselves falling into - or further into - debt.

Consumers who are ‘vulnerable’ in one way may find themselves in a cycle of vulnerability, for example, when an illness impacts their income or ability to do the work they are experienced in. Conversely, consumers may not see themselves as ‘vulnerable’ so may not seek help until it is too late.

Our regular engagement with consumer stakeholders demonstrates that consumers in vulnerable circumstances may - as highlighted by Claire's comment, above - be receiving more priority treatment in other sectors. They may assume that more support is available in those sectors. This is supported by Joanna, another participant in the Panel's 'Don't Cut Me Off!' research, and in emerging findings from our soon-to-be published research on what it means to be 'vulnerable' in the communications sector. In the interview quoted below, Joanna had been asked to talk about the support she receives from providers in other sectors:

"I've got COPD [Chronic Obstructive Pulmonary Disease], and I'm on their priority scheme. So [Energy Provider] got National Grid to sort it out [when the electricity cable to her home stopped functioning]. It was up and running in about 36 hours. And it's been running off the Grid ever since. It was good it was sorted so quickly. I'm assuming having COPD wouldn't mean I'd get the same treatment if my mobile phone died on me. But in a way I need that if I have a medical emergency, so should it be treated differently?"
(Joanna, living alone, 18-24, part time working, Cardiff)

Our support for Ofcom's best practice recommendations

We welcome Ofcom's amendments to its '[Treating Vulnerable Customers Fairly](#)' guide to set out best practice recommendations to providers regarding further practical measures they could adopt to treat financially vulnerable customers fairly.

We note that Ofcom has taken the bolder step in recommending 'best' practice recommendations, rather than highlighting good practice. Consumers need this strength of support and we believe that a clear steer such as this will also benefit some communications providers in building a business case to make consumer-focused changes to their processes and policies. As explained above, it has been clear that good practice in other sectors can benefit consumers and help them to stay connected to essential services. Now it is time for the communications sector to follow suit.

Consumer awareness of support that exists

We support Ofcom's use of its public profile to highlight support that is available to consumers in debt and financial vulnerability. Consumer information pages on [Ofcom's website](#), use of social media and TV appearances on consumer affairs programmes help to build consumer awareness and confidence, so that consumers can trust that they will receive a helpful response if they engage with their provider, rather than hiding from the inevitable.

With Ofcom's research revealing that only 1.2% of those eligible are taking up social tariffs, we strongly support Ofcom's amendment to 4.33 on working with consumer bodies and charities - to include raising awareness of social tariffs:

4.33 In addition, providers could consider working with consumer bodies and charities to increase awareness of the help, support and services that are available, including social tariffs. For example, providers could raise awareness of their accessibility services to

relevant customers by collaborating with relevant charities on how to promote these services effectively.

Participation and inclusion - communication's providers' responsibility to proactively prevent disconnection

As we highlighted in our response to Ofcom's call for inputs, being unable to afford communications services or the infrastructure required to gain a connection means that consumers are unable to participate digitally. Digitally excluded consumers are less likely to be aware of available support, including online tools that can help to drive-down costs such as price comparison websites. Public services have moved online, requiring a digital connection; and connections that are resilient, secure and fast - have become essential to citizens attending healthcare and wellbeing appointments conducted via online video consultations. This has been vital during the pandemic, particularly during lockdowns.

While some consumers are already in debt, others may be struggling to pay and with a little extra support from their communications provider, may be able to prevent falling into the spiral of detriment that being in debt - and becoming disconnected from communications services - can lead them into.

We strongly support Ofcom's strengthened wording around communications providers' responsibility to take several steps before considering disconnection (4.56) and we welcome Ofcom's amendment to the advice heading in the guide before paragraph 4.51 to include those who are 'struggling to pay', highlighting that the Government's '[Breathing Space](#)' debt respite initiative is now in place. We invited a presenter from StepChange to the Panel's Industry Forum meeting to talk them through Breathing Space, prior to its implementation, with the opportunity to ask questions about the way the scheme might work. We believe that the scheme offers a constructive way for consumers to engage with providers to find solutions which permit them to remain connected.

We agree with Ofcom's amendment to 4.54, calling for transparent and clear processes around the use of debt collection measures, so that consumers understand the steps their provider plans to take and when.

We also support paragraph 4.55's requirement of a phased approach to introducing service restrictions, where practical (though we would appreciate some clarity regarding what is and isn't practical and urge Ofcom to monitor this). We strongly support avoiding introducing service restrictions for vulnerable people who are particularly reliant on their communications services, unless all other options have been exhausted and have urged communications to get to know their customers to help them identify who is more vulnerable at any given point. We also strongly advocate protecting calls to free helplines dedicated to e.g. protecting children and domestic abuse victims, even during service restrictions.

Accessibility and communications preferences

Panel Members highlighted recently to Ofcom that the Panel's National Stakeholder Hubs had identified that consumers living with specific access requirements tended to pay higher costs for communications, which could result in communications poverty. In addition, some consumers faced communications exclusion where they had been blacklisted by CPs and could no longer access communications. The Panel considered that to ensure no consumer was left behind, Ofcom's research should adopt an inclusive approach using the social model of disability rather than the medical model.

We welcome reference in the amendments to the guide (4.56) to 'take account of the customer's preferred communication channel when contacting a customer about their debt' and where no preference has been expressed, to use 'a range of communication channels when contacting a customer about their debt (including their preferred method of communication) before taking any follow-up action, including enforcement and debt recovery' also to 'rotate between communication channels to increase the chance of reaching the customer'. This approach should enable consumers to be clear on what is due to happen, when and how to prevent further action. We believe it is vital that all customer service processes, including billing and complaint-handling should be accessible to all consumers who need them.

Therefore, we would also like Ofcom to include in the guide a requirement for communications providers to *continue ongoing communications with the consumer using their preferred channel of communication* and to *engage regularly with consumer bodies and charities to ensure that their processes and customer services are accessible*. In line with this, we welcome Ofcom's strengthened wording around enabling third parties, such as free debt organisations, to work with a consumer's communications provider on their behalf. We would also include nominated persons, such as carers, in this paragraph.

We have heard from consumer advocates and charities that representing financially vulnerable consumers can currently be a challenging process and we trust that they will respond to the consultation to give examples.

We have also heard previously from some providers that data protection concerns can prevent them from doing as much as they would like to, to support vulnerable customers. We invited a representative to our March 2022 Industry Forum meeting to help dispel myths around data protection and vulnerability and would welcome ongoing collaboration between communications providers, Ofcom and the ICO to ensure that vulnerable consumers are protected from all sides.

We welcome Ofcom's additional detail in its case study (4.59) to help communications providers to understand the level of customer service and flexibility they are expected to apply as standard in the circumstances of consumer debt and financial vulnerability.

As highlighted in the consultation, different organisations may be able to help consumers in different parts of the UK and as part of getting to know their customers, we believe communications providers should ensure they are aware of the support available for consumers in England, Northern Ireland, Scotland and Wales, so that their advice and assistance to their customers is meaningful and accurate.

In recent discussions with Ofcom we have also continued to emphasise the importance of cross-sector collaboration, as seen in Water and Energy, learning from other sectors to help support financially vulnerable consumers. It was noted that the Consumer Council for Water had called for implementation of one consistent social tariff across the water sector and Members questioned whether the communications sector should adopt a similar approach. We note Ofcom's involvement in the UK Regulators Network and wonder if a similar network exists on an industry level.

We would also highlight the needs of financially vulnerable communications consumers who do not live in what would be defined as 'households'. For example, the needs of consumers who are homeless, with a low income, but reliant on their mobile phone for access to work, benefits and personal connections; similarly, members of the traveller community; or consumers living in hostels - these consumers may be reliant on communications services - particularly mobile, which does not always require a contract - and may not be counted in statistics quoting the needs of households.

Returning to our opening point in this response and to the title of the guide that this consultation relates to, we believe that fair treatment of all consumers should be a baseline for this sector. With this in mind, we have previously posed the question to Ofcom whether the fair treatment of vulnerable consumers could be more clearly reflected in its Fairness Commitments.

Summary

In summary, the proposed amendments are in line with what we have heard from our consumer stakeholders and research participants and have fed back to Ofcom on transparency, awareness, flexibility, accessibility and fairness and we urge Ofcom to hold firm on these amendments and not weaken the tone of the guide if challenged.

We encourage communications providers to better get to know their customers' needs and urge Ofcom to ensure that communications providers' processes are as transparent and unintimidating to all consumers as possible.

We recommend that communications providers work with consumer bodies and charities across the UK, to help inform themselves on a wide range of user journeys, so that they can design processes inclusively and stay live to changing needs.

We also encourage Ofcom to work with the ICO and communications providers, to ensure that communications providers feel able to provide a high level of support while satisfying data protection obligations.