Dear John O'Keefe,

We welcome and are very grateful for the opportunity to respond to Ofcom's second consultation on Quality of Service and hope that the response contained will be of use in any further decision making relating to the TopComm initiative.

Having reviewed the consultation document very carefully we understand how Ofcom have come to their conclusion and a preferred option of withdrawing the TopComm Direction. However, we also believe that there are opportunities and alternatives with the current TopComm scheme which if managed appropriately could be useful to Ofcom, service providers and consumers.

Our suggestion would be for Ofcom to adopt option 2: Introduce some marginal improvements to the scheme, and the following paragraphs will explain our reasoning.

Quality of Service requirement
Before coming to a conclusion as to whether the TopComm scheme should be abandoned, our primary question is to ask if there is a need for Quality of Service information to be (a) produced and (b) made publicly available.

From our experience working within a service provider environment, we would suggest that it is likely a service provider would produce basic quality of service information, such as checking installation lead times, fault rates and complaint numbers. It is generally acknowledged by service providers that these basic measurements are core to understanding the operational efficiency of a business (i.e. how to provide service, maintain service and handle customer issues). Although this basic information is likely to be produced by the majority of service providers, without the TopComm scheme it is unlikely to be audited or comparable between service providers.

We have also witnessed changes in service provider opinions since the introduction of the TopComm scheme. A recent discussion with one service provider identified that until TopComm, it was known that they received complaints but little was known on how they were managed or what the customer issues were related to. Since production of the TopComm measures, the service provider now has the ability to focus on identifying key elements of complaint handling, i.e. reason, resolution (including cost) and duration. This feedback is typical of many members of the TopComm group. In our opinion, we have witnessed over the course of the TopComm scheme a significant change towards improving customer quality of service.

So, if quality of service information is being produced, would consumers want to see it? Based upon the evidence produced by Ofcom, then the answer appears to be yes. See articles below from the published consultation

"Evidence from a number of sources suggests that consumers care greatly about poor customer service. Data from Ofcom's Advisory Teams (calls, letters to Ofcom) recorded that approximately 50% of all cases between March 2008 and February 2009 (or about 5,500 calls a month) were about customer/supplier relationship issues including aspects such as the speed of supplying a service and fault handling. "

"Futuresight research carried out in 2006 found that most consumers who had cause to complain about their communications service were dissatisfied with the way in which their complaint was handled – this accounted for 70% of fixed voice, 65% of Internet and 52% of mobile complainants. "

"Research from Citizen's Advice published in 'Are you being served?' found that if customers could get clear and independent information about the quality of customer service offered by utility companies, including information about how they deal with customer calls, then only 3% of respondents would base their choice of supplier solely on price and 20% would choose their supplier based wholly on the quality of their customer service."

"The output of Ofcom's 2008 consumer research also suggests that a sizeable number of consumers care about quality of customer service – many refer to helpfulness of consumer representatives (23%) and technical support (18%) being important to them"

TopComm effectiveness

After evaluating that basic quality of service information would likely be produced by service providers and that recent research indicates that consumers would be interested in the output, we have attempted to identify the reasons why the current TopComm scheme does not fulfil the requirement.

It is clear from discussions with the service providers that there is a general unwillingness to promote or publish quality of service information. Unless, as a service provider, you are top on all measures then why would you want to promote a scheme which shows that the consumer could get a better service elsewhere? Also, for some of the more prominent service providers it is acknowledged that they would not want to make it public that smaller (lesser known) providers are also in the market place. In summary, unless a scheme would promote a service provider in the best possible light, then it will never get their support. To quote one provider "Turkeys won't vote for Christmas".

With the obvious lack of support from the service providers, it is understood why the schemes effectiveness has not been exploited. Results have not been marketed sufficiently to produce widespread interest; measurements have not been agreed which would show true comparability; and audit functions have been restricted in order to limit the cost of a scheme which has no significant sponsorship.

Due to the lack of public awareness, it is not surprising that hits on the TopComm website is not representative to the effort required in producing the output.

Measurement suitability

Although Ofcom have identified the measurement titles, it is the responsibility of TopComm members to agree and define the scope for each measure. Despite feedback by auditors, consumer groups and even by individual service providers, the forum has not agreed to co-ordinate the parameters to optimise their comparability.

Two measures, fault rates and upheld complaints related to bill inaccuracy, do not appear to provide any significant consumer benefit or differentiation on the fixed line service providers and therefore could be removed from the requirement to publish results.

Three of the current five measures are time-based (Service Provisioning, Fault Restoration, and Complaint Handling). However, they have all been defined to show either performance against a service provider's own target (which in some cases are unrealistic and non-consumer friendly) or set against a long duration which does not differentiate good performance from bad.

We believe that by simply amending these three measures to identify the average time to (a) provide service, (b) restore service, and (c) resolve a dispute would comparably differentiate the service provider performances.

The consultation highlights research identifying the suitability of these parameters

>The decision making survey suggested that 21% of consumers were likely to want to compare information on fixed line voice provider set up times.

>The decision making survey suggested that 23% of consumers were likely to compare information on average time taken to resolve faults generated by fixed line providers.

>The decision making survey suggested that 16% of consumers were likely to want to compare information on number of complaints not immediately resolved by a fixed line voice provider.

Cost of changing parameters
Based upon feedback by service providers to Ofcom, it has been stated that the cost of changing a measure could be between £4,500 and £135,000. We believe these figures to be grossly overstated, especially in the case of amending the 3 time based measurements, which we believe would contribute virtually no cost whatsoever.

The reason behind this is that the data is already collected as part of the original measurement requirement. For example, service providers capture the dates when orders are received and closed, when faults are received and closed, when complaints are received and closed. In fact, by amending the measurement criteria from Target to Actual Time, the data capture, collation, reporting and audit process becomes significantly easier. Service providers will actually save cost in their process governance as less information is required to be captured and the reports will only have to compare two dates. For a reporting analyst to change the measurement from target to actual time base should take about 5 minutes on average.

Audit Robustness
The audit process has been heavily debated within the TopComm environment and whilst service providers naturally would want to dictate and limit the audit costs they also would not want competitors to publish results which are unfairly collated.

The two stage audit process, where service providers assess their own data collation activity which is then independently reviewed, appears to work reasonably well. This is supported by the number of data corrections equating to approximately 25 amendments required per 6 monthly data submission period, identified during the comparability review process.

During recent submission periods the audit effectiveness has been questioned due to the lack of service provider consistency in auditing overseas centres. Attempts to resolve and identify minimum audit requirements with the service providers, has not been successful and requires Ofcom intervention. Statement 5.74 in the Ofcom consultation is misleading in the context of audit robustness where it is implied that it is due to the auditor's failure that the ratio of measurements failing to reach publication has increased. In fact, the publication failure rate has increased largely due to one major service provider making significant internal operational changes, which would not have impacted the measurements if they were amended as suggested in this document.

Our solution would be for Ofcom to take control of the audit process and requirements and enable the comparability auditor to make suitable judgement, based upon evidence gathered during the data collation processes, to the timescales and frequency of audits.

The consultation document has identified audit costs to range between £19,000 and £37,000 on average per service provider and to be the main cost associated with participation in the TopComm scheme.

Ofcom published a revenue report titled "Telecommunications market data tables Q4 2008" earlier this year where it has been identified that Fixed Line provider revenue for 2008 equated to approximately £9.002bn. When comparing the TopComm audit costs to revenue generated by the service providers, the result based upon the highest estimate equates to approximately 0.01%. In our view the cost of implementing robust processes ensuring that published results are accurate and comparable does not appear to be a highly significant cost when compared to the revenue generated.

Public Awareness
Despite the potential improvements which could be made to the measurements and audit process resulting in the provision of accurate and comparable statistics, unless the output was promoted then we agree that the scheme would not fulfil its original requirement.

Production of a new website similar in style and approach to the Uswitch or MoneySupermarket websites, to house the output of the TopComm scheme, we would conservatively estimate to cost around £30k.

Promotion and awareness campaigns are likely to cost up to £500k based upon the evidence supplied in the consultation document. Funding of the marketing activity is likely to be the main objection point as neither the service provider or Ofcom (in light of the preferred option) are likely to want to pay for this. However, we do believe that once the scheme is properly promoted that awareness will largely be retained similar to Uswitch or MoneySupermarket, and that the initial costs would not have to be replicated.

Advantages and Disadvantages
We have considered the various aspects of advantages and disadvantages of either retaining or removing a quality of service scheme.

We believe that option 1 is preferable only if in a very short term Ofcom are likely to require further enhancements (i.e. products or measures) to be introduced to TopComm. If a revision is likely to involve delays into 2010 and beyond, then clearly there is no benefit to continuing with TopComm in its current state.

If there is a likelihood of a revised TopComm scheme, incorporating the lessons learnt from "CPI" and TopComm, then we believe option 2 is preferable. It is important to retain knowledge and some aspects of the current scheme to ensure that mistakes are not replicated at a later date. As highlighted in this document there are some relatively easy changes which could be made to the measurements which would incur negligible cost and also improve the accuracy and comparability.

Having been involved in TopComm and its predecessor "CPI", we know how difficult and time-consuming it is to introduce a brand new scheme from scratch. If the scheme was revised, then over a relatively short period of time Ofcom would have an environment to effectively gauge the consumer requirement on. Marketing a working site would also be able to factually identify consumer interest as well as obtaining feedback on other information which consumers may require – such as network performances.

We expect and appreciate why service providers would be sceptical with retaining the TopComm scheme as it is not highly valued by them. However, we do know that some have benefitted significantly by TopComm, making them more aware of processes and measurements to track customer service; and many use the competitor results to set their own internal performance objectives. Without TopComm as a benchmarking tool it is unlikely that service providers will be able to obtain comparable quality of service information from any other source.

If the scheme was to continue in a revised format, then Ofcom would need to take a pivotal lead role for it to have any chance of working. This may prove difficult if funding is not available or restricted to cope with the TopComm requirements. Finance would need to facilitate all independent verification and publication duties.

The main advantage of withdrawing the direction for TopComm appears to be related to removing the hassle factor of managing a scheme where there is very little enthusiasm by service providers to make it work. Our concern here is that if at some point in the next 6-12 months Ofcom decide that there is a further quality of service requirement, service providers would have to either implement new systems or change current systems to again meet that requirement, whereas currently systems and processes are designed with quality of service reporting in mind.

Conclusion Summary
To finalise this report, we have considered and concluded that there is a requirement to produce quality of service measurements. We have reviewed the current TopComm scheme; agreed with many of the negative issues and have produced workable ideas of what to improve, which do not incur extra measurement development costs. These have included audit and promotional responsibilities and the role that Ofcom must undertake. We have considered expenditure and have associated the scale in terms of cost versus service provider overall revenue. We believe that if any quality of service scheme is to be successful then Ofcom are required to play an instrumental role in managing the overall process. After evaluating some of the advantages and disadvantages, with the information available we would suggest that Ofcom consider option 2: Introduce some marginal improvements to the scheme.

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