



Topcomm Review:  
A Statement

A plain-English  
summary of our  
statement

Publication date: **29 July 2009**

## Quality of Service information

Ofcom is the independent watchdog for everything from television and radio broadcasting to mobile and fixed-line phone services.

One of our many roles is to encourage healthy competition, so that phone and internet companies will give us all a wide choice, high quality and good value.

Healthy competition works best when, as customers, we're fully in the know. If we're given good information that we can all understand we're more likely to shop around, make good choices and be willing to switch to better deals.

### Getting the information you need

Customers choose a particular phone or internet service for a variety of reasons.

For most people, price is the single most important thing. Obviously, technical factors such as broadband speeds or mobile call quality are also important. But in our research, a significant number of people have told us they also care about the standard of customer service they'll receive if they run into problems. This was echoed by a survey by the Citizens Advice Bureau which showed that only 3% of people would choose a service purely on price.

### What has Ofcom been doing?

In January 2005, Ofcom required certain companies to gather and publish up-to-date information on the quality of their customer service.

As a result, these companies got together as an industry and created a website to provide information to consumers. <http://www.topcomm.org.uk>

This website has been publishing the service performance of the companies on five particular measures. So you could find out:

- how long it takes each provider to connect customers with a new line;
- how many faults they have to fix;
- how long they take to fix those faults;
- how quickly they deal with complaints; and

- the accuracy of their bills.

Three years later, in July 2008, we held a consultation so everyone could tell us whether they thought Topcomm was doing a good job, and whether this was still the right way to go.

We received responses from the companies that participate in Topcomm, and from some that don't, and from home and business customers. We also carried out our own market research at the same time.

The views we received told us that Topcomm was not giving the value and benefits to ordinary consumers that we hoped it would. In fact, some believed that big changes were needed to make it worthwhile.

It was also costing the companies that support Topcomm a lot of time, money and effort to run the scheme. As the regulator, it's our legal duty to remove burdens on companies that aren't necessary.

## The May consultation on options for Topcomm

In May 2009, we consulted again, this time to suggest three possible options for the future of Topcomm.

### **Option 1: Keep Topcomm as it is now**

The pros:

- customers would still have some information on QoS until new regulations, if any, were introduced at a later date; and
- it is good to keep the system up and running because it might play a part in any future scheme.

The cons:

- Topcomm's value has proved to be quite limited. The data it provides hasn't been collected or presented in a particularly useful way for customers to understand;
- companies measure things in different ways, so comparing them can potentially mislead customers rather than help them;

- the website only receives about 1000 visits a week, yet it is costing up to £666,000 a year to run; and
- for Topcomm to continue beyond summer 2009, a new round of discussions and contract negotiations would be needed to retain admin and auditing staff.

### **Option 2: make some improvements**

We could take steps to improve the way Topcomm's measurements are made, to make sure it gives reliable data that's easy to compare. A marketing campaign could also be launched to raise awareness of the site.

The pros:

- a good source of information, with better quality stats, would be available while we work on a better way forward for the longer-term; and
- publicity could drive more people to the site, making it a more valuable resource that justifies its cost.

The cons:

- any changes to the measurements would have to be agreed by all the companies involved. This would not be easy and would take time;
- changes could cost anything up to £675,000 to make – a big sum for what may be a short-term fix;
- similarly, a marketing campaign would cost a great deal, and would look doubly expensive if the scheme were then scrapped anyway; and
- it may be unfair to ask the companies to spend money on changes when we're still not clear what information customers actually want.

### **Option 3: close down Topcomm now**

The pros:

- the participating firms would save an average of £37,000 each;
- customers would not lose out greatly, since the scheme isn't proving to be that useful; and

- the companies could choose whether to keep some of their systems in place for any future scheme, or to dismantle them now and worry about the future later.

The cons:

- customers would no longer have information on fixed-line providers (although, as we've said, this may not be such a big loss);
- shutting down Topcomm now would involve costs such as staff re-training etc. However, these are charges that will probably have to be met later anyway; and
- companies may have to pay for a new QoS system from scratch, if we required one following our next review.

## Reaction to the May consultation

The May 2009 consultation included Ofcom's recommendation that we should go for Option 3 and end the Topcomm direction.

We received 19 responses, all of them agreeing with us that Topcomm was not doing the job it was set up to do.

- All the communications providers (CPs) agreed Topcomm should be closed.
- However, some still supported the idea of a scheme that gave QoS information to customers.
- Several members who serve businesses said that their type of customer did not find Topcomm useful, and that large businesses negotiate their own service levels anyway.
- Organisations such as Consumer Focus and Citizens Advice, who represent the interests of consumers, also agreed Topcomm should close – but said they wanted a new scheme in place before it did.
- There was not a single vote in favour of Topcomm staying as it is now.

### Could Topcomm be improved?

We did receive a small amount of support for the idea of improving Topcomm, rather than scrapping it. Some thought that this wouldn't necessarily be as expensive as we had thought.

Suggestions included giving the website more advertising and publicity, and revising the key measures it shows. However, we need to be confident that the

information provided is useful and meaningful to consumers. We believe that our wider review should help us answer these questions.

### **Is Topcomm an important stepping stone to something better?**

Some argued it would be good to keep Topcomm until a replacement was ready. However, we believe that it may be some time before a new scheme is in place and we're not sure if any future scheme would necessarily be like the current one. It's also likely that, if we do have a new scheme, there would be providers involved, those involved with mobile and broadband services.

Also, many Topcomm members won't be part of a new scheme. We don't think it's fair to ask them to carry on providing information for a scheme that consumers don't value, and which might end up being scrapped in any case.

### **Our decision: withdraw the Topcomm scheme**

Having weighed up the evidence, and the views of everyone involved, Ofcom has decided to withdraw the Topcomm Direction immediately for the following reasons.

- The scheme doesn't meet its original objectives;
- The scheme currently costs the companies that support Topcomm a lot of time, money and effort to run;
- It would be very expensive to alter the scheme and we don't know if any changes would actually be useful until we carry out further research to better understand what consumers really need;
- It's going to be some time before we have a better idea of what consumers need so it's best that we remove the scheme sooner rather than later .

### **What does this mean for the providers?**

This notification means that providers caught by the Topcomm scheme no longer have to collect and publish QoS data.

However, they're free to carry on doing so if they want to. Similarly, it's their decision on what happens to the existing Topcomm organisation, website and auditing functions.

### **What about Ofcom and QoS now?**

We have recommended scrapping Topcomm because of the shortcomings of the scheme itself, not because of what it has tried to achieve. Ofcom believes that giving information to customers plays a crucial role in promoting healthy competition.

We will therefore be carrying out a wider review, and more research, to help us:

- measure levels of customer satisfaction;
- understand customers' experiences of customer services;
- find out whether some providers are particularly better or worse than others; and
- understand better what customers actually want from QoS.

This will take several months, and we're likely to ask for views once again through more consultations.