

Information on quality of customer service

Response by Citizens Advice to OFCOM

October 2008

Introduction

Citizens Advice is pleased to have the opportunity to respond to Ofcom's consultation

The Citizens Advice Bureaux (CAB) network is the largest independent network of free advice centres in Europe, providing advice from over 3,200 outlets throughout Wales, England and Northern Ireland. We provide advice from a range of outlets, including GPs' surgeries, hospitals, community centres, county courts and magistrates courts, and mobile services both in rural areas and to serve particular dispersed groups.

The Citizens Advice service provides free, independent, confidential and impartial advice to everyone on their rights and responsibilities. It values diversity, promotes equality and challenges discrimination.

The service aims:

- To provide the advice people need for the problems they face; and
- To improve the policies and practices that affect people's lives.

In 2007-2008 the CAB service in England and Wales dealt with 5.5 million enquiries in total. Of these over 32,500 problems related to landline phones, mobile phones, cable and satellite TV, and internet service and broadband. Breaking this figure down reveals that:

- 22.6% of the problems relating to landline phones were about complaints and redress. This equates to 3,191 problems and meant that this category was the second largest reported, trailing only those problems relating to costs and billing; and
- 22.7% of the problems about mobile phones were about complaints and redress. This category contained 2,843 problems which made it the largest single category for mobile phones.

In addition, bureaux dealt with almost 54,000 problems concerned with telecoms debt. Of these almost 1,000 problems related to complaints.

General comments

Rather than answer the questions posed in the consultation, we are submitting a short, high level response on the main themes covered by the consultation.

CABx regularly report cases of poor customer service by telecoms companies. Here are a few recent examples:

A CAB in Greater Manchester reported that a woman who had recently been diagnosed with a long term chronic health problem affecting her

lungs wanted to get her phone reconnected in case she needed to call medical help. The client phoned her former telephone provider and paid £50 to re-connect her phone line. However, the company had not been in touch to arrange reconnection or refund the £50. The client had to use her own mobile to phone the company for long periods in the queue waiting to speak to a customer service adviser, had to go out in the rain to ring the company from phone boxes with heavy background traffic noise or had to visit her daughters' home to use their phone. Although the client has phoned numerous times to sort out the problem, the phone company had not been helpful. Until the client came to CAB, she had been struggling to get anywhere with the company. On the last occasion she called them, she waited 45 minutes to get through to a customer services adviser, and was then passed to three departments, none of whom could resolve her problem.

A Yorkshire CAB reported that a disabled man aged 63 needed to phone his landline provider when a broadband installation went wrong. He was unable to contact the company by telephone as all numbers given did not result in anyone trying to solve the problem. The client sought advice from the CAB, who made several phone calls to the phone company, one of which was cut off after 15 minutes. The client returned two weeks later with a letter acknowledging the company was at fault, but they still had not sorted out his problem entirely. When the CAB rang the number given in the client's letter, they were transferred to several departments before getting to someone who agreed to sort out the problem. This all took a great deal of time.

A CAB in Lincolnshire reported that a woman with a disabled husband sought advice when her broadband went down without warning and then was unable to make outgoing calls. Before she came to the CAB she had phoned the company three times to resolve the faults on the line. On each occasion, she was promised that problem would be rectified within 48 hours, but nothing happened. The client needed to have her phone problem sorted out as her husband needed to be in very regular contact with the local hospital about his condition, appointments, and medication. The client was forced to use a public pay phone, which much less convenient and much more expensive. When the CAB phoned the telephone company, the customer service adviser and their manager, who were based in an overseas call centre, did not appreciate the gravity of the situation. They expected the client to have her own mobile phone to use as a back-up, but she did not have one.

In February 2008 we published an evidence briefing, *Are you being served? CAB evidence on contacting utilities companies*, which covers one important aspect of the complaint handling process – the handling of customer calls and complaints. The report outlined two fundamental and related reasons why utility company contact centres have, in general, failed to respond to the needs of customers in this area, prompting high levels of dissatisfaction:

- There is a glaring lack of accessible information available to consumers about comparative levels of service from utility companies' contact centres. This means that incentives to improve performance are weak and customers are forced to make decisions about suppliers based on price alone.
- There are no minimum standards for utility companies in setting levels of customer service, including how customer contacts are handled. In the absence of sufficient competitive pressures, these could act as an effective protection for consumers.

The upshot of this is that consumers are forced to make decisions based solely on price. As Ofcom itself has noted previously “across each of the communications markets there are a lower proportion of consumers who state it is easy to make quality of service comparisons, compared with cost comparisons.”¹

It is clear that there is a desire among consumers for quality of service information about CPs. Firstly, Ofcom's own research shows this to be the case, as outlined in paragraphs 4.5 – 4.9 of this consultation paper. Secondly, our own research shows that substantial numbers of people would make use of customer service information to help them choose supplier. This research, which was 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 per cent of respondents would base their choice of supplier solely on price
- 20 per cent would choose their supplier based wholly on the quality of their customer service
- 41 per cent state that customer service would be the deciding factor if other companies offered similar prices
- 26 per cent admitted that such information might help them decide but they would also look at price.

Although it is clear that consumers need this information to help them for this information, what customer information that is currently provided by Ofcom – i.e. Topcomm - has low levels of awareness and use. We believe that the reasons for this include:

- The website is difficult to understand, and some elements of the information lack adequate explanation. For example, it is not clear to consumers why Topcomm provides information separately about direct and indirect suppliers. Another example is that consumers requiring

¹ *The Consumer Experience – Telecoms, Internet and Digital Broadcasting 2007 – Policy Evaluation*, Ofcom, November 2007

further explanation are directed to a document which uses highly technical language which few would understand. Some of the comparison graphs are structured in such a way which makes it difficult to compare quality of service e.g. the graph on service restoration needs to be read concurrently with the commitment times made by each company to make an effective comparison.

- Some vital consumer metrics, e.g. length of time to get through to a customer service adviser, are not included
- A lack of promotion of Topcomm by Ofcom or CPs
- There is no information on the Topcomm home page that the information contained in the website is approved by Ofcom. We believe that this information is vital for consumers to trust the information provided on the website. In contrast the Financial Services Authority (FSA)'s Money Made Clear website which contains comparison tools for different financial products, is clearly branded as the FSA's website.

Recent changes in the fuel sector, contained in the Consumers, Estate Agents and Redress (CEAR) Act 2007 which came into force on 1 October 2008, have the potential to substantially improve information provided to consumers about quality of service information in the fuel sector. The Act places a statutory requirement on the fuel regulator, Ofgem, to make regulations setting standards of performance for fuel companies on complaints handling. Energy suppliers will also be required to be a member of an Ofgem-approved redress scheme to investigate and determine complaints relating to energy which may also provide an incentive to improve complaint handling. In addition, Consumer Focus will publish comparable data about the performance of fuel suppliers in handling complaints.

Whilst the focus of these reforms is on complaint handling, we believe they are relevant to Quality of Service standards as they are linked to provision of information relating to how complaints are handled and how many referrals must be made to ADR scheme. We therefore believe that the CEAR Act should act as a prompt for the communications market to 'up its game'.

Citizens Advice's recommendations on quality of service

We believe that the Ofcom 'Direction' should be extended. As we have outlined above, consumers need information about quality of service to make an effective choice of telecoms company, and which industry would not publish themselves. However, **Citizens Advice believes that the Direction needs to be made more effective if it is to improve quality of service.** For example, it is essential that the Direction should be extended to all telecommunications services such as mobile phones and broadband. We believe that this would help to breed familiarity and confidence.

Citizens Advice also believes that Ofcom should take the opportunity to reconsider what types of information consumers would find helpful to understand quality of service. We recommend that Ofcom should talk

directly to different types of consumers to understand what is important to them, and how this information would be best provided. It would also be prudent to engage with comparison sites as they will be one of primary means of disseminating quality of service information.

In terms of publicity, Ofcom should consider revamping the Topcomm website and making clearer that it is an Ofcom-approved site. While Topcomm stats should be the industry data about quality of service information, publication of the information should not be confined to the Topcomm website. **We believe that Ofcom should look to encourage companion sites to make use of extensive and independent and regularly updated information.**

We also believe that Ofcom should do more work with the press to explore possibility of league tables of quality of service information appearing in the press. One more radical option would be to mandate CPs to include information about their quality of service rating alongside information relating to price when, for example, they advertise. We believe that this would help to disseminate information to more consumers. It would also help to reach people who do not have access to internet comparison sites or Topcomm itself. As Ofcom's own research shows, these are likely to be the poorest and most disadvantaged groups in our society.

Citizens Advice strongly believes that Ofcom should reconsider the types of information it requires as part of the Direction and it should continue to prescribe the information that must be provided by CPs. It should also learn from the recent changes to the fuel sector in this regard, as we have outlined earlier in our response. We believe that CPs should be required to provide the following information to Ofcom:

- how long it takes for a customer to receive a service;
- how many complaints a company receives;
- how long they take to resolve them and how many are upheld;
- how many complaints are due to faults;
- how long they take to fix those faults;
- how many complaints are related to incorrect bills; and
- how long it takes to answer a customer's call.

To ensure that the information provided by CPs can be trusted, Citizens Advice believes that there needs to be some form of consistent standard and an independent audit will therefore play a crucial role. We are unconvinced that the industry is capable of policing itself, and we believe that Ofcom are best placed to carry out this role.