Ofcom Consultation Response
(Ref: Review of quality of service information
Phase 1: information on quality of customer service)

Response from
Enigma QPM Limited

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Enigma QPM has 12 years experience of being the leading provider of Quality of Service audits to support the TopComm process and its predecessor CPI. Clearly we have a commercial interest in the process. However, we are also in a unique position of having provided independent audits for many of the providers involved in TopComm. Thus we have a wealth of experience to bring to the Consultation process. Our current clients include: Tiscali, Pipex, Toucan, Tesco, BSkyB, Uniworld, Chess, XLN and Colt. We have a strong belief that Quality of Service measures provide an opportunity for providers to develop a balanced portfolio of measures to monitor the experiences of their customers. Thus, when approached correctly, accurate QoS measures are in the interests of both the providers and their customers.

We would be pleased to arrange a meeting to discuss how we could help with the consultation process.

Our perspective leads us to focus our response to the 74 questions on those issues where our experiences are of particular value as follows:

Question 1
Information gained from the Topnet scheme should be reviewed for continued relevance to any new scheme.

Question 2
Broadband throughput speed is a good measure as it should be a measure of reality rather than the claims made within marketing literature. It is our experience that broadband customer service measures would be valuable to both providers and end users. In the current commercial environment, broadband service is a bigger issue than fixed voice. However, both are significant. Where possible, we suggest that combined service measures should be developed. This reflects the reality that service tends to be bundled across product types.

Question 3
No opinion

Question 4
QoS information is of potential value to end users if properly publicised, e.g., through links to price comparison web sites. However, the ability of the process to produce accurate and comparable measures is highly dependent upon the measurement definitions. They need to be simple, comprehensible and independent of variations in policy and product offering.

Question 5
Consumer surveys are expensive and difficult to manage, given that very large sample sizes are required. They are of interest as a comparison with quantitative measures, but should not replace quantitative quality of service measures. Indeed well managed service providers should routinely have both measures as part of their customer service processes.

Question 6
The existing QoS direction would benefit from the broadening of scope to include broadband and other services. The related definitions would then require amendment. Single offering Fixed Line voice services are becoming less important in relation to a CSP's overall product mix. For this reason it could be argued that the current scope of QoS is losing relevance. Bundled Broadband, Mobile and VOIP services are becoming more important in the eyes of the consumer. For this reason the scope of QoS needs to be extended .

Question 7 & 8
A web site would seem to be the best way to make information available. Links into the price comparison websites should also be encouraged so rankings on customer service can be obtained. However, the success of any website would be largely dependent on the amount of supporting promotion undertaken in order to increase public awareness. Without publicity the success of the website will be limited.

Question 9
It is suggested that the scope of services is widened, to reflect an end users viewpoint. End users are concerned with orders, faults, bills and complaints and don't differentiate between products. In practice this means that Broadband, mobile and fixed line voice services should be included.

Question 10
Thresholds should be set so as to include the service suppliers commonly marketing
themselves within the industry.

Question 11
A sensible threshold would be appropriate in order to initially exclude the very small players
or those supplying products and services to re-sellers. However, the threshold should be set at
a level that requires compliance prior to a supplier becoming a major player within the
industry.

Question 12
A revenue, customer base or line count measure would be relatively easy.

Question 13
Thresholds should be set so as to include the service suppliers commonly marketing
themselves within the industry

Question 14
Previous CPI and TopComm measurements provide a proven framework for measurement.
However, a higher degree of independent control should be placed on definitions, because
decisions made by groups of providers have a tendency to be watered down at the expense of
benefit to end users.

Question 15
Meeting commitments is important, but a measure based on time from receipt of order to
activation of service would be more beneficial and transparent. Providers would argue that
this varies with different product types. However, any such variation would balance out over
large numbers of orders and any comparability concerns would be minimal because end users
would naturally compare similar providers with similar product offerings and prices.

Question 16
A new parameter, such as that suggested in Q15, would require minimal changes to existing
reports. Indeed, providers should already be measuring this type of performance.

Question 17
All providers measure aspects of service provisioning, but might have to modify reports
slightly to meet new requirements.

Question 18
We have many years of experience of grappling with the inherent subjectivity involved in the current definition of a complaint. Providers focus management activity on escalations and actions as opposed to measurable notes and labels relating to customer perception. Thus there would be an argument for a more tangible definition, such as escalated expressions of dissatisfaction. There is no easy way to measure complaints. The main focus of complaints needs to be as indicators of problems, the resulting analysis of which should bring about improvements. **We do have a strong opinion that a measure of complaints as a proportion of customers will cause all sorts of problems. Complaint measures need to encourage complaint capture, not make the provider that is conscientious and logs all complaints look worse than the provider that doesn't log complaints. It must be understood that complaint capture is inherently subjective and therefore subject to large amounts of variation, resulting from subtle policy and process differences between providers. No audit process can prevent this. A good audit process can merely reduce variation and encourage improvement. These comments are based on over 12 years of experience of CPI and QoS complaint handling measurement in a considerable number of providers within the Telecoms industry.** Note: Any changes to the definition of a complaint need to be alligned with other Ofcom and industry initiatives such as TMBS and the Alternative Dispute Resolution and Complaint Handling consultation (Complaints Code of Practice).

Question 19
As indicated in Q18, a measure based on the existing measure or resolution of escalated complaints would be acceptable, but any absolute count of complaints would be counter productive.

Question 20
Complaint capture does have a cost in terms of system design, training and processing time. However, cost can be minimised if efficient methods are applied to capture complaints resolved at the first point of contact.

Question 21
As per question 18 we strongly recommend that a total complaint measurement will be unworkable in practice.

Question 22
It is difficult to split complaints by product as many complaints are bundled. However, some providers would still be obliged to exclude TV complaints which would remain outside the scope of the scheme. So where possible complaints should be a combined measure. There will be comparability issues arising from product mix and variations in the ways accounts are set up on billing systems. However, such variations should balance out over large numbers as long as the complaint measure is a percentage and not a count per customer (see answer to Q18).

Question 23
Customers bundle complaints, so measures need to reflect this where possible.

Question 24
Providers tend to collect high-level complaints, but struggle to capture accurate data about complaints resolved at the first point of contact.

Question 25
In our experience providers don't play games with complaint capture. There is simply a large gap between the requirement to measure all customer expressions of dissatisfaction and the processes that providers have. Indeed accepting that the main purpose of a complaint process is to identify and resolve underlying problems, this can be done by sampling and does not require the measurement of all expressions of dissatisfaction.

Question 26
Having a measure for complaints about faults removes the ambiguity between an initial fault report and a complaint inherent in the current measures. It would work if a fault complaint is measured in the same way that an initial end user fault report is measured in the current measures. That is, the existing fault measure would be a sub-measure of complaints, much as upheld bill inaccuracy complaints is. A measure of the proportion of complaints processes does encourage complaint capture as well as a timely response to customers. So it is our position that there may be scope to change the definition of a complaint, e.g. to an escalated expression of dissatisfaction, but otherwise the measure should remain as it is – a percentage of complaints processed. It is practical to audit this measure to 3%. However it is not practical to achieve complaint capture to 3% accuracy, given the inherent subjectivity of the definition.

Question 27
Broadband is important to the customer experience, but in our experience phone services are often as important. Measuring broadband only might simplify the process. However, many issues are multiple product issues. We suggest that where possible the measures should focus on the time to activation, the time to restore service and the time to process complaints, without splitting measures based on product. Times should be based on end to end times taken in 95% of cases. Thus, excluding the worst 5% which are likely to be less comparable and less relevant to typical consumers. The numbers of faults and upheld bill inaccuracy complaints are also practical measures that are independent of product.

Question 28
The 'complaint about faults' measure is potentially similar to the existing end user reported fault measure. In which case it would not be expensive. If it is simply a complaint category, then it would also not be expensive, but would be relatively intangible and not lend itself to meaningful accuracy and comparability.

Question 29
Providers manage fault tickets and collect data about them. They also typically produce some basic analysis of complaint reasons and complaints about faults would be one of them. Fault tickets lend themselves to accuracy audit, whereas complaint reasons are often subjective. The main point to note is that complaint capture is a big obstacle to measurement, whereas fault tickets can be measured accurately.

Question 30
A measure of the time between the reporting of a fault and service restoration would be a good measure. The existing measure has the weakness of being dependent upon variable commitment times, thus removing and practical notion of comparability.

Question 31
There should be very little expense in measuring fault repair times as the core processes are typically in place.

Question 32
No answer

Question 33
The existing measure can be audited, but is based on the subjectivity of an expression of dissatisfaction. A measure of customer reported bill errors might be better. This would make the measure similar to the fault measure. Both could be sub measures of complaints, but would require measures based on customer reports, rather than expressions of dissatisfaction, which are too intangible. The 3 categories should be: customer reported faults, upheld customer reported bill errors and other customer reported expressions of dissatisfaction.

Question 34
No answer

Question 35
No answer.

Question 36
Call answer measures could be useful, but might also be misleading if not compared with other measures such as average call times and the percentage of repeat calls. A provider could look favourable against one measure at the expense of performance in other respects. A provider that is slightly slower at answering a call, but takes the time required to resolve customers' problems and avoid repeat calls might actually provide a better service. Some providers could answer calls quickly, but largely fail to solve the customers' problems at the first call. So comparability might be difficult to achieve.

Question 37
No answer.

Question 38
In our experience most Operators collect similar data.

Question 39
QoS measures would not be credible unless they addressed bundled services in a meaningful way.

Question 40
There is a good argument for excluding business customers with an annual spend over a certain limit. Such organisations do not need to be protected in the same way that smaller businesses and residential customers do.

Question 41
Small businesses would benefit from accurate and comparable information. Large businesses have the financial leverage to obtain information for themselves.

Question 42
The information required by SMEs and residential customers would be similar. Both want information that helps them to judge any trade off between price and service.

Question 43
It is very difficult to combine data for small and large businesses as larger businesses often have project managed bespoke services.

Question 44
A threshold based on annual spend is the easiest and most practical way to achieve this.

Question 45
No answer.

Question 46
No answer.

Question 47
Service level agreements can be interpreted in different ways. This is not a very easy parameter to audit.

Question 48
It is rare for providers to audit hard quality of service data outside the TopComm requirements. Non-Topcomm audits are typically process focussed and do not check measurement accuracy.

Question 49
No answer

Question 50
Ofcom should determine the verification process to ensure clarity, accuracy and comparability.

Question 51
It is important to distinguish between independent accuracy audit and comparability review. Whether accuracy auditing is in-house, or sub-contracted to specialists such as Enigma QPM it should be carried out by experienced and qualified staff who are independent of the process. Some form of independent audit is essential. **Providers should be able to choose the audit body involved, as per other audit processes, e.g. accountancy. This will ensure that the audit process is competitive, cost effective and responsive. Indeed other OFCOM schemes such as Total Metering and Billing (TMBS) have moved away from a single audit body.** External audits and internal audits can be variable in effectiveness, mainly being dependent on the experience of individual auditors. However, there are clearly greater pressures on the objectivity of internal auditors. **Some form of second stage comparability review is desirable. However, this should focus on the collation of results and comparisons in policy. It should not duplicate the accuracy audit process, but should be able to question results and audit methods that indicate comparability concerns. (see also Q66 and 69)**

Question 52
The existing qualification requirements are generally adequate. However, we suggest that new auditors should have an audit witnessed by an established auditor. This would help to overcome some of the concerns about auditor competence and confusion about the role of the comparability auditor with regard to policing auditors. No criteria can completely remove variation in auditor ability. Clear definitions are the best method to achieve comparable audits.

Question 53
A recognised auditor course and completion of a web-based exam based on the definitions is adequate, as per the existing process. However, as stated in Q52 new auditors should have an audit witnessed by an established auditor.

Question 54
No answer

Question 55
Quarterly audits are the minimum required to pick up historical accuracy issues.

Question 56
Audits have two aspects, data sampling and process audits. Data sampling should be quarterly, but there needs to be flexibility with process audits, which need to be managed on a rolling basis, taking into account changes and logistics, e.g. overseas travel. Process audits of major customer facing operations should not exceed six months, or every other quarter. (see also Q61).

Question 57
Quarterly publication would be desirable, otherwise data becomes out dated.

Question 58
Data should be published within three months of the quarter end.

Question 59
The current requirement for 25 data samples per measure per quarter was implemented following discussions with Topcomm and auditors including ourselves. It represents a practical balance between audit cost and the probability of picking up an error of greater than 3% through sampling. It is minimal in terms of statistical theory, but works in terms of audit practicality, particularly when cumulative sampling in successive quarters is considered. Sampling must be coordinated with process checks and it must be based on random sampling of the event population.

Question 60
No answer

Question 61
Data sampling should be quarterly, but there needs to be flexibility with process audits, which need to be managed on a rolling basis, taking into account changes and logistics, e.g. overseas travel. Process audits of major customer facing operations should not exceed six months, or every other quarter. In other words there are times when a site audit might have to take place at the start of quarter 1 and the end of quarter 3, but this should be the worst case. Less significant sites can be visited annually. (see also Q56).

Question 62 and 63
The auditor should conduct process interviews with front line staff, carry out process and system measurement investigation, do collation checks and carry out detailed sample checks of measured data.

Question 64
Ofcom should specify the principals and minimum sample sizes and frequency of major site audits. However, the audit should not be reduced to a set of standard checks or questions.

Question 65
Audits need to be independent, whether internal, outsourced or externally imposed. The existing structure works, but depends heavily on the integrity and skill of the auditor. Whether auditors are internal or external they need to have clear definitions and an agreed audit process. External audits, where the operators employed an audit company, would increase independence and take away any perceived pressure on internal auditors.

Question 66
There would be very little scope for reducing the cost of site visits if providers share an auditor. Enigma QPM currently audits several different companies and has found that audits have to be carried out as discreet exercises. The difference in cost between one auditor auditing two sites and two auditors auditing two sites is minimal after day rates and expenses are considered. **Auditors need to compete so that providers can switch when they are not happy with their auditor. Therefore, the process would suffer if there was an attempt to impose a single audit company on all providers. A single audit company would also have a conflict of interest in addressing any comparability concerns between auditors. Thus we recommend that providers should choose suitably qualified auditors and that there should be an appropriate second stage comparability review. (see also Q51 and 69)**

Question 67
The annual audit cost ranges from £9,000 to £60,000 depending upon the size of the provider.

Question 68
Independent auditors would need to satisfy experience and qualification criteria, but should be chosen and paid for directly by each provider. This encourages price competition, better service and flexibility in terms of auditor schedules. Providers need to have the opportunity to seek a more efficient, experienced or local audit company, to rotate auditors or to change auditors if there are personality clashes.

Question 69
It would be impossible for one auditor to audit all companies. Annual audit schedules can involve up to 80 man days for larger providers. If one audit company was contracted to carry out audits this would be highly unusual and out of step with other industries, which benefit from competing audit bodies operating within a regulated framework. Providers and auditors need to have good relationships, both commercially and on an individual basis. **For the process to have credibility providers need to have the freedom to chose between auditors. Precedents for this are accountancy, Ofcom's Total Metering and Billing audits and ISO 9001 audits, all of which allow providers to choose between audit companies**. Choices need to be made based on fee, location, personality, experience and company size. A comparability review should achieve an acceptable degree of consistency between audits. The comparability reviewer needs to be independent of the audit organisations to avoid a conflict of interest. **There needs to be a clear boundary between accuracy audit and comparability review. (see also Q51 and 66)**

Question 70 – 74
Unless the scheme is publicised and the information readily available in an understandable format, consumer take-up will be patchy at best. OFCOM should actively market the process including promoting websites and linkages to price comparison sites. Providers are likely to be reluctant to publicise QoS comparisons, because unlike pricing, they cannot easily control their historical QoS performance. So a high profile comparison site would be seen as a risk that could pose a serious financial threat to providers that were less favourably positioned.