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Our Reference:

Your Reference:

Date: 7 October 2008

Dear Lucy

Review of Quality of Service Information: phase 1

I am writing to provide SSE's comments on the above consultation. SSE has been providing retail fixed line telephony using reselling arrangements for a number of years, although we are not yet of a size where we are required to join the Topcomm reporting scheme. Nevertheless, we are aware of the current Topcomm requirements and the quality of service (QoS) Direction under General Condition 21 and have been reviewing these requirements as we approach the threshold where membership of Topcomm would currently be required.

In providing retail services such as telephony and our much larger product base in energy (where we have some 9 million customers), we think of ourselves as a "supplier". We have used this terminology in the rest of this response to denote a communications provider who has a retail relationship with customers as distinct from a network service provider. Whereas some communications providers have both roles in delivering a service to customers, many suppliers (a number of which are large enough to approach or exceed the Topcomm reporting threshold) do not and use wholesale network services to deliver their retail electronic communications services.

We welcome Ofcom's review of quality of service issues and believe that it is an opportunity to consider a revised framework for regulatory involvement in QoS measures, building on the experience gained and lessons learnt in the development of the Topcomm forum. We attach our responses to the consultation questions as an Appendix to this letter (plus a Confidential Annex) and thought it would be helpful to set out our main themes below. These are as follows:

1. Separation of supply and network QoS issues;
2. Appropriate regulatory approach for supply QoS information; and
3. Principles for QoS regulation, where this is required.

1. Separation of supply and network QoS issues

We agree with Ofcom's comments at paragraph 3.2 that QoS info can be divided into 2 types: customer service and network/technical information. However, we believe

that a more relevant division is between network and "supply" QoS such that customer service measures dealing with technical issues (such as the example given of the speed of providing an initial service) are either associated only with network QoS or, at the very least, divided between those elements within a supplier's control and those that are within the control of the associated network provider. It would then be logical, as Ofcom plans, to review the two areas in two separate stages of its QoS review.

In our view, the current set of Topcomm QoS parameters currently mix network and supply measures, which undermines the value of the resulting information. For example, supply time for initial connection, fault rate per access line and fault repair time all involve network elements. These items are not wholly within a supplier's control in providing a retail fixed line telephony service but depend crucially on the performance of network service providers such as Openreach. For a fixed line network provider, however, it would be reasonable to measure how long it took them to provide a new supply or to repair a fault once the end customer's supplier had alerted them to the need for service. In fact, these very items overlap with the service measures addressed in Ofcom's conclusions on the issue of service level guarantees (SLGs) provided by Openreach to its supplier customers – published in March this year.

Similarly, fault rate per access line is a network parameter that might merit inclusion in Ofcom's review of the technical and network service information planned for phase 2 of the QoS review. With respect to Openreach, in particular, we believe that its QoS framework is an important element in its overall financial framework, which Ofcom is currently reviewing. It would be useful, if timescales permit, for Ofcom's conclusions on network QoS performance requirements to be taken into account in finalising the Openreach financial framework review.

We therefore believe that one useful outcome of the current stage of Ofcom's review would be to separate the elements of service that are actually within a supplier's control from those that are really network issues. This stage could then also decide on how best regulatory intervention can support the provision of useful information to customers on the supply elements of customer service. We agree that regulatory intervention in the specification and publication of QoS information is appropriate for network QoS but, as discussed further in the section below, we believe that other approaches for supply QoS are appropriate. It is, however, likely that some input from this consultation could be carried forward into the review of network/technical QoS and we offer comments in our response to this consultation on developments to the current Topcomm arrangements on the basis that these will be relevant to considering the framework for network/technical QoS. One high-level point that we would make in this respect is that, given the sometimes complex network/technical issues that can cause problems for end customers, we would like to see some representation for suppliers in the framework for development of QoS arrangements. We discuss this in more detail in the section below on Governance.

2. Appropriate regulatory approach for supply QoS information

While we believe that regulatory involvement in the specification and reporting of network QoS measures is appropriate (the intended focus of phase 2 of Ofcom's QoS work), we do not believe that competitive retail markets require regulatory intervention to specify and require reporting of QoS measures. From our experience in energy markets, there are organisations who are expert in researching and assessing customer service quality over a number of issues of interest to customers e.g. J D Power Associates who produce in-depth research on energy customer experiences and make annual awards, based on this research.

Information on QoS is also provided by the switching sites such as uSwitch, who have produced customer satisfaction reports on fixed line telephony products: see, for example their press release dated 8 April 08 available at the following web link: http://www.uswitch.com/Press-Room/Press-releases.aspx?i=1
We believe customers tend to look at such research sites if they are interested in QoS issues. We suggest that Ofcom's efforts would best be focussed on encouraging these organisations to develop the information they make available on communications products and on promoting customers' awareness of these sites. Such a strategy would allow the removal of the QoS regulatory reporting burden on suppliers, consistent with Ofcom's duties to target regulation only at cases in which action is needed and to remove the imposition of burdens which are unnecessary.

If it is felt necessary to retain some form of regulated QoS reporting by suppliers, we advocate that this should be restricted to measures that are within a supplier's control. If any measures that involve action by network companies were still required, these should be refined to only require a supplier to report on timing up to the point of handover with the network company, since this is the part within the supplier's control e.g. "time taken to request a new service delivery from the relevant network provider". It is relevant to note that, of the eleven measures on which quantitative research was undertaken by uSwitch in the press release highlighted above, none of them include network parameters or faults.

In similar vein, we believe that any count of complaints against suppliers should not include faults. We believe that customers appreciate the difference between a fault and a complaint and note that these elements are maintained separately in the recently revised framework for complaint handling in the energy markets. If the inclusion of faults were to be required, complaints against suppliers would include a count of faults which are not within their control and would provide a misleading picture of their success or otherwise in dealing with complaints about matters which are within their control.

3. Principles for QoS regulation

Where it is felt that regulatory involvement in the specification and reporting of QoS measures is appropriate, we believe the following principles should apply:
- Participants should only be required to report on QoS measures they can control;
- Flexibility and an appropriate form of governance for the development and maintenance of detailed rules around QoS reporting should be built in to the ongoing arrangements; and

- Audit procedures and the resulting costs should be targeted at those whose business models and/or actual data quality require more audit work.

We have commented above on the principle of only measuring what is within a provider's control. The following two sections set out our thoughts respectively on the governance and audit aspects of a QoS regime.

Governance of QoS Framework

The current regulatory framework for QoS has three levels: General Condition (GC)21; the Direction issued under this; and the detailed documents that the Topcomm forum has developed to define the QoS parameters and other process aspects of the framework. We believe that Ofcom should consider the appropriate role of all three levels in its consideration of a revised QoS framework.

It appears that, due to the necessity of producing comparable data (a requirement in GC21), and therefore of agreeing a detailed specification of how data is to be collected, the Topcomm forum has developed on a cooperative basis between eligible providers. This falls short of a true co-regulatory arrangement as Ofcom has no influence on how the scheme operates. In the consultation, Ofcom raises a number of detailed aspects of the current scheme (particularly on audit processes) on which it has developed some views as to the best approach going forward. Ofcom's preferred approach appears to be to specify detailed requirements of the scheme in a revised Direction under GC21.

We have a counter-proposal to this approach, which we believe would provide the optimum combination of enforceability and Ofcom involvement on the one hand, together with flexibility and provider involvement on the other. As in many aspects of the communications market where a degree of cooperation is required to achieve a regulatory objective, we advocate the development of appropriate co-regulatory arrangements. We believe, in fact, that Ofcom's duty to promote self-regulation extends to co-regulatory arrangements and that these, in practice, are more likely to be successful than pure "self regulation" in many cases – we have set this out in a response to a recent Ofcom consultation on this subject[1].

Our vision of appropriate co-regulatory arrangements is that relevant industry participants are empowered to develop the necessary detailed arrangements to achieve the scheme objectives; to maintain these arrangements in a transparent manner; and to allow for them to be developed as necessary to cater for market and other relevant developments. However, Ofcom would also be involved in the arrangement in a manner which may differ in detail between different cases but would be designed to allow Ofcom sufficient input to the development of the detailed arrangements – for example, by initially approving a detailed document and any subsequent proposals for amendment of the detailed document. We do not expect that Ofcom's approvals of subsequent detailed changes would need formal consultation, although Ofcom would always have this option if the proposed changes were sufficiently material. Thus the framework would be inherently more flexible than trying to set out detailed requirements in the formal Direction and would continue to allow for industry ownership of the document.

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[1] Consultation on "Initial assessments of when to adopt self- or co-regulation" 27 March 2008

It would also be very hard, we believe, to codify all the detailed aspects on which Ofcom currently has concerns – for example, the number of sites that an auditor should visit – in a formal Direction. We note Ofcom's comment (at paragraph 6.83 of the document) that the current wording of the Direction on the timing of publication of the QoS data, does not recognise the need for a period of time for checking and verification of the data, which the detailed Topcomm process allows for. Thus all the providers have been in technical breach of the Direction since the early days of the Topcomm forum. This illustrates the ease with which unintended consequences can occur when detailed elements are addressed in a high level document such as the Direction. This risk also represents another reason why detailed issues should be addressed in a subsidiary document that has flexible yet transparent governance so that any anomalies can be addressed in a timely manner.

We therefore propose that the Direction issued under GC21 is restricted to clarifying the threshold criteria which determine which communications providers (CPs) are required to participate in the QoS reporting arrangements and what steps they need to take to "join" the governance body, which looks after the detailed arrangements as codified in the subsidiary document. Thus the Direction (and possibly GC21) would make clear the high level obligation on certain CPs to join a body charged with maintaining QoS reporting rules and, on joining, these CPs would become subject to the detailed rules of that body. Ofcom would be involved at the detailed level in a way which gave it sufficient influence over the development of the rules, as we have discussed above.

As noted earlier, we believe there is a role for supplier representation in co-regulatory governance arrangements relating to network QoS issues as there is significant potential for network/technical issues to affect service to their customers. For example, our own customers have experienced problems in moving from an LLU-based telephone service to take our telephony service based on the Openreach network. Network features put in place but not cancelled by the LLU provider can interfere with the working of facilities such as "call minder" provided under Wholesale Line Rental. When we become involved to try and sort out the customer's problem, we can find that neither network provider will take responsibility for sorting out the network issue which is causing the problem. We believe that this situation would be improved if at least one network provider's performance on resolving this "fault" was being monitored to give them the appropriate accountability and incentive to resolve the issue for the end customer.

Thus, we believe that the supplier's perspective on network QoS issues would provide a helpful insight to Ofcom on network QoS issues that directly cause issues for customers. A potential wider role for the governance arrangements could be to act as a forum, visible to Ofcom, where specific network QoS issues could be raised and resolved on an industry basis.

Auditing Arrangements
For a CP joining the governance arrangements we have discussed above, we envisage that there would be "take-on procedures" in a similar manner to the way in which, under the Metering and Billing Direction, there is an allowance for a period of time during which an "agreed plan" is developed as to how the assessments required under that regulatory framework will be carried out in the particular circumstances of an individual CP. We see parallels between the role of the Metering and Billing Approval Bodies and the Comparability Auditor in the Topcomm framework. This "take-on" stage would be the correct point, we believe, for the Comparability Auditor to assess the programme of site visits that he felt would be necessary to provide assurance of comparability, given the specific business model and geographic footprint of the CP being "taken-on". Thus, many of the detailed issues on the subject of audit methodology that Ofcom raises in this consultation could be addressed on a CP by CP basis under the flexible framework we have proposed.

A large proportion of the questions posed in the consultation relate to auditing requirements. We have suggested above a framework for QoS reporting that allows the detailed arrangements to be captured in a document subsidiary to the main Direction. However, even this detailed document would, in our view, struggle to codify a "one size fits all" approach to audit procedures across all the different business models of providers who become required to provide QoS information. It could, however, determine some overall principles for audit activity and the attribution of the associated costs.

In our view, these principles should include the following:

- At take-on of a CP to the QoS arrangements, the Comparability Auditor (CA) should provide his view to Ofcom of the audit plan required to assess the QoS data from the CP on an ongoing basis in order to provide the appropriate level of assurance to Ofcom on the comparability of the QoS data (this could include overseas visits if felt necessary);

- Ofcom, in the absence of agreement between the CP and the CA could determine the plan of site visits at an appropriate level of detail (i.e. leaving operational flexibility to the CA);

- A risk-based approach to the audit work should be adopted, such that more attention is focussed on CPs where concerns about data quality exist or arise and less where previous audit work has provided assurance of good quality data;

- This initial audit plan could be subject to review and either enhanced or relaxed depending on the confidence that the CA develops about the data being provided;

- The costs of the audit programme should be borne by each CP in proportion to the amount of audit work they generate – this presents an economic signal to CPs to ensure that their data and internal processes are robust;

- There should be no specific formal obligations about the qualifications of internal auditors unless the CA develops concerns about quality of data produced – in which case a review of the audit plan could be discussed and agreed with the CP subject to final determination by Ofcom in the event of disagreement – as at the "take-on" stage.

Conclusion

We hope that our thoughts on the potential development of QoS arrangements are of interest. The scope of the subject is wide and merits the separation of supplier only from network-related QoS considerations.

On the matter of supplier-only QoS, we have advocated that Ofcom could encourage third parties to produce relevant market research for customers and sign-post such information on its own website. We do not feel that further specified regulatory reporting by suppliers would be helpful, given the wide range of different supplier business models. In particular, for some suppliers, communications products are only one aspect of the services provided to their customer base and for many, they have no involvement in communications network provision. If Ofcom does continue to require some supply-only QoS information, it should be borne in mind that for some measures it will be impossible for suppliers to disaggregate into communications-related and non-communications related, let alone between different communications products. We are thinking, in particular, of the proposed telephone response measure where customers will call a supplier for any number of reasons across all the products supplied. Overall, if it is felt necessary to continue to require supplier information under the existing Topcomm arrangements, the measures should be amended to only encompass aspects of service suppliers can control.

We have also made a number of points in relation to network QoS data, where we agree it is more appropriate that Ofcom intervene to require comparative information to be specified and published. We believe that an appropriate framework for governing the provision and development of QoS arrangements could be built on the initial experience with Topcomm and have set out above our thoughts on how this could work, with the detailed arrangements set out and governed at a lower level than a formal Ofcom Direction. While this is developed, it may be appropriate to allow the current Topcomm arrangements to continue, focussing on suppliers who also provide the communications networks to support their retail services to domestic and small business customers.

Please let me know if you have any queries or would like to discuss any aspect of our response.

Yours sincerely

Aileen Boyd
Regulation Manager

Consultation Questions

Section 3: Ofcom's strategy for delivering quality of service information
Question 1: Do you have any views on Ofcom's proposal to review the existing TopNetUK scheme, which could help inform this piece of work?
We support Ofcom's intention to review the TopNetUK scheme in the second phase of its QoS review. Our only comment relevant to this review is to agree that for purely customer service parameters with no network component, it is appropriate to consider including mobile service providers in the scope of this phase of the review.

Question 2: To what extent would it be useful for consumers to have access to comparative performance information on broadband speed and broadband quality of service?
We agree that this is likely to be of interest to customers. However, Ofcom has recently introduced code of practice requirements for broadband service providers, which include requirements for information provision. The effects of the availability of this information together with the consumer research that Ofcom plans should perhaps be evaluated and incorporated in phase 2 of Ofcom's QoS project.

Question 3: Do you agree with Ofcom's proposed timetable for phase one of our review of quality of service information?
Ofcom's timetable for this phase of the review is set out at paragraph 3.45 of the document. We would comment that a September start for a definitions document stakeholder working group seems early in comparison with the closing date for this consultation. We also believe that the technical parameters to be considered in phase 2 should include some of the network related items currently in the Topcomm list i.e. fault rate per access line, fault repair time, time for initial connection.

Section 4: Should the scope of the QoS Direction be amended?
Question 4: Should Ofcom require industry to publish QoS information?
Question 5: Should Ofcom encourage the development of more (or more detailed) consumer surveys focusing on customer service?
We believe that a regulatory obligation for the provision of QoS information is logical for networks. As discussed in our covering letter, we consider that there is less of a case for regulatory intervention to require publication of specified QoS items for suppliers in a competitive market. Research-based organisations already exist that produce independent measures of customer satisfaction based on surveys. We suggest that Ofcom's role in this context should be to encourage/commission such organisations to provide data on supply QoS issues in the communications market rather than become involved in mandating specific QoS reporting.

Question 6: If we considered it was appropriate to continue requiring industry to collect and publish QoS information, is there any need to amend the existing QoS Direction?
As noted above, we believe that information on supply QoS can be obtained through avenues other than a formal Direction. If Ofcom nonetheless considered that it was appropriate to continue requiring eligible suppliers to provide QoS information, we believe that the framework would need to be amended to reflect, for suppliers, only information on measures that suppliers

can control i.e. removing network-related elements that Ofcom intends to cover in Phase 2 of this project.

Separately, this review is also an opportunity to consider how some of the more detailed aspects of Ofcom's concerns would be addressed in a formal QoS framework that might continue to apply to some companies. As discussed in our covering letter, we believe that the detailed aspects of definitions and procedures are best governed at a lower level than the QoS Direction. In our view, this Direction should be amended to clearly cover the eligibility criteria for becoming subject to the need to provide formal QoS information and also impose the requirement, on an eligible provider, to "join" co-regulatory arrangements governing the detailed description of the QoS parameters.

Question 7: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended - how should the information be made available?
Question 8: Would third parties – such as price comparison sites – be interested in collating QoS information?
We do not believe it would be appropriate for Ofcom to specify what information on QoS suppliers should publish on their own websites. Where it is felt that regulation should define what QoS information is collected, we believe there is a case for this being provided on an independent website, which organisations such as Topcomm or more general consumer research sites could then collate and display as they saw fit.

Question 9: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – what services should be covered?
In principle, we agree that if Ofcom decided to continue a requirement to publish QoS information on supplier-controlled aspects of fixed line service provision, then the same logic would suggest that other mass market products such as broadband and mobile telephony should be covered. However, as noted in our covering letter and in response to questions 4 and 5 above, we believe there are mechanisms other than prescriptive regulation that could make useful information on these aspects of service quality available to customers.

Question 10: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – what type of revenues should the threshold for participation be based on?
In our view, a threshold for requiring participation in the scheme for publication of QoS information is most clearly framed as a level of total relevant revenue in a financial year in a similar manner to the threshold for application of the Metering and Billing Direction. It should be clear at what point the threshold is reached and the steps that a provider is then required to take to "join in" with the reporting framework. We discuss this further in our covering letter.

Question 11: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – should we exempt providers with less than a certain number of subscribers from the requirements?
Question 12: How easily could providers assess whether they hit a subscriber threshold?

Without prejudice to our view that a regulatory reporting scheme is not appropriate for supplier QoS, if such a scheme is nonetheless retained by Ofcom, we agree that "relevant revenue" should be allied with another threshold of retail size. If the threshold was determined solely by "relevant revenue", this might result in some operators being caught by the reporting requirement even though the majority of their revenue was derived from, for example, wholesale services. We therefore agree that there should be a measure of a company's retail size below which it would not be required to provide information and also agree that number of subscribers is a suitable additional measure to use. All businesses should have some measure of customer numbers. Pragmatically, we suggest that the count of subscribers should be defined to be at a certain historic point in the year – perhaps at 31 December – in order for businesses to be clear, at the end of a financial year, whether they meet the requirements for providing QoS information going forward or not. Similar considerations might apply in determining a scale threshold for network companies.

Question 13: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – what should the relevant turnover threshold be?
We believe there is merit in setting the threshold of annual relevant revenue at £40m, which matches that for the application of the Metering and Billing Direction.

Section 5: What information should be published?
Question 14: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – how could the information requirements be defined and measured?
Where formal regulation of QoS measures is required, we favour a variation of option 2 – a more co-regulatory arrangement where affected providers jointly administer and develop the QoS framework. As discussed in our covering letter, we believe the Direction should deal with high-level matters and require eligible providers to become members of a governance arrangement for the detailed documentation where the actual definitions are set out. We see Ofcom as having a role in approving, vetoing and perhaps suggesting changes to the detailed framework over time to ensure that it remains consistent with regulatory policy.

We agree with the advantages that Ofcom notes for this option: Ofcom involvement; involvement of providers in determining definitions; transparency; enforceability and certainty on obligations. In relation to the disadvantages noted by Ofcom, we do not see why consensus should be more difficult to achieve than at present – in any event, the governance of the scheme could allow for majority voting, possible veto by Ofcom and any other safeguards thought necessary. Similarly, we believe the use of a subsidiary document would allow greater flexibility in amending definitions, metrics or audit requirements set out in this rather than the overall Direction. If this flexibility is achieved, we do not believe that Ofcom would have to consult formally on detailed changes to the subsidiary documentation.

Question 15: Should Ofcom remove, keep or replace the existing parameter on service provision?
Question 16: How much would it cost to introduce and maintain a new parameter on service provision?

Question 17: As a provider, is data on service provision something you already collect?

We believe that this metric is largely a network-related matter and should therefore be considered in phase 2 of Ofcom's project and removed from the current Topcomm requirements. As a reselling supplier, we would be dependent on the performance of Openreach in reporting on our overall performance on this measure, as would many other suppliers using reselling arrangements. If Ofcom decide to retain some measure of supplier performance under this heading, we believe it should be defined as the length of time taken to hand the provisioning order over to the network provider's systems.

We have provided some information on the costs of introducing a parameter on service provision in the confidential annex.

Question 18: Do you agree with this definition of 'complaint'?

We agree that it would be appropriate for Ofcom to align the definitions of "complaint" used for QoS purposes with that used for other complaint handling regulation, on which it is consulting separately. However, particularly for external reporting, we are strongly of the view that the proposed wording should be clarified to exclude network faults. We believe that, in general, customers understand that a network fault is not something under their supplier's control and in reporting a fault, they expect the fault to be fixed, but are not necessarily "complaining" about that fault. It is worth noting that in the recent amendment to the framework for complaint handling in the energy market, statutory definition specifically excludes fault reporting from the definition of "complaint".

We also consider that there would be an issue around the meaning and usefulness of complaint figures attributed to suppliers if these figures included complaints about the underlying network that the suppliers are using to deliver their services. In our view, any measure of network faults is clearly a network QoS issue and one that customers would have an interest in reviewing if they were thinking of moving between different sorts of network.

For fixed line telephony, however, we see no benefit to customers and potentially the production of misleading information if faults are counted along with complaints. Consider the example of a customer taking a fixed line service on network A, who is subject to an intermittent fault on that network. He is currently supplied with fixed line telephony by reseller x. Being fed up with the intermittent fault he reviews the "complaints + faults" statistics between different suppliers and moves to supplier y, who also provides a reselling service on network A and who has a lower number of "complaints plus faults" than supplier x. However, his actual experience of the intermittent fault will remain the same since it is an issue with network A, not under the control of either reseller x or reseller y.

Question 19: Should Ofcom remove, keep or replace the existing parameter on complaints?
Question 20: How much would it cost to introduce and maintain a new parameter on resolution of complaints (option 3a)?
Question 21: How much would it cost to introduce and maintain a new parameter on total number of complaints (option 3b)?

Question 22: If a new parameters on total complaints per thousand customers was introduced (option 3b), should customers taking multiple services count as multiple customers?

Question 23: If new parameters were introduced, is there a case for requiring complaints data to be published separately for fixed voice, mobile and broadband services?

Question 24: As a provider, is data on complaints something you already collect?

Question 25: How could we ensure complaints were being recorded in an accurate and comparable way, and how could we avoid the potential for gaming by providers?

Consistent with the comments in our covering letter, we believe that measures of customer satisfaction with suppliers could well be provided by independent research organisations and switching sites. However, if Ofcom decide to retain a requirement to report on some measure of supplier complaints performance, we firmly believe it should relate to matters under a supplier's control and not include faults.

We have provided some information on the costs of introducing a parameter on complaints in the confidential annex.

In order to provide a metric "per 1000 customers", there would need to be a definition of when the count of customers was to be carried out and we believe that the best way of taking into account customers taking multiple communications products would be to count customers taking multiple services as multiple customers for the purposes of this type of calculation.

We have a preference to keep any required information on complaints aggregated across services. In relation to ensuring accurate and comparable data across suppliers, we tend to agree with Ofcom that an audit process is the best means of achieving this. Clear and unambiguous definitions may also help to ensure consistency.

Question 26: Should Ofcom remove or replace the existing parameter on complaints about faults?

Question 27: If we introduced a new parameter, should it be limited to broadband providers?

Question 28: How much would it cost to introduce and maintain a new parameter on complaints about faults?

Question 29: As a provider, is data on complaints about faults something you already collect?

We believe that this metric is largely a network-related matter and should therefore be considered in phase 2 of Ofcom's project and removed from the current Topcomm requirements. We would be dependent on the performance of Openreach in reporting on our overall performance on this measure, as would many other suppliers using reselling arrangements and our comments in response to question 18 above on including "faults" with supplier complaint statistics are also relevant to suppliers potentially reporting on number of faults.

We have provided some information on the costs of introducing a parameter on complaints about faults in the confidential annex.

Question 30: Should Ofcom remove or replace the existing parameter on how long it takes to repair a fault?

Question 31: How much would it cost to introduce and maintain a new parameter on how long it takes to repair a fault?

Question 32: As a provider, is data on how long it takes to repair a fault something you already collect?

We believe that this metric is largely a network-related matter and should therefore be considered in phase 2 of Ofcom's project and removed from the current Topcomm requirements. We would be dependent on the performance of Openreach in reporting on our overall performance on this measure for fixed line telephony, as would many other suppliers using reselling arrangements.

We have provided some information on the costs of introducing a parameter on fault repair in the confidential annex.

Question 33: Should Ofcom remove or keep the existing parameter on billing accuracy complaints?
Question 34: How much would it cost to providers not currently part of the TopComm Forum to introduce and maintain the existing parameter on billing accuracy complaints?
Question 35: As a provider, is data on billing accuracy complaints something you already collect?

Consistent with the comments in our covering letter, we believe that measures of customer satisfaction with suppliers could well be provided by independent research organisations and switching sites. From the comments in the consultation, Ofcom appears to consider that complaints about billing accuracy follow the trend of overall complaints and on this basis, we would agree that there is no compelling reason to continue with this metric.

We have provided some information on the costs of introducing a parameter on billing accuracy complaints in the confidential annex.

Question 36: Should Ofcom introduce a new parameter on the time it takes to answer a consumer's call?
Question 37: How much would it cost to introduce and maintain a new parameter on the time it takes to answer a consumer's call?
Question 38: As a provider, do you already have in place systems that capture the time it takes for your customer service agents to answer a customer's call?

Consistent with the comments in our covering letter, we believe that measures of customer satisfaction with suppliers could well be provided by independent research organisations and switching sites, rather than being mandated by regulation. We believe that great care would be needed to introduce a new metric on the speed of answering calls and that it would be very difficult to define a meaningful metric. We do not support trying to achieve this since public information on customer satisfaction with fixed line telephone providers is available.

We have provided some information on the systems we have to capture the time taken to deal with a customer's call in the confidential annex.

Question 39: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – should providers be required to publish QoS information on bundles?

For supplier QoS measures, if these are to be continued, the question of disaggregation depends on the type of measure. For complaints, this should be relatively easy to disaggregate between types of service. However, speed of telephone response could not be disaggregated between communications and non-communications products, let alone between different communications products.

Question 40: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – who should QoS information be provided for? Should this include large business consumers?

Question 41: What evidence do you have that small and large businesses would / would not benefit from QoS information?

Question 42: Would information on one or more particular services be more or less valuable for different sizes of businesses?

Question 43: Could reporting information for small and large businesses together be misleading?

Question 44: How could Ofcom distinguish between small and large businesses?

Question 45: How easy would a threshold based on the Communications Act definition be to implement and how much would it cost

Question 46: How easy would a threshold based on a business customer's annual communications spend be to implement and how much would it cost?

Question 47: How easy would a threshold based on whether a business had a bespoke service level agreement in place with its provider be to implement and how much would it cost?

As noted in our covering letter, we do not believe that suppliers should have a regulatory requirement to report on QoS measures. Without prejudice to this view, we tend to agree that large business customers would tend to have separate account management facilities compared to those customers on a "business tariff" and to have negotiated individual service level agreements. QoS statistics including such large business customers could therefore potentially distort the statistics. It would therefore seem appropriate to restrict the supply-related QoS information – if it was to be retained – to domestic customers and those business customers who are on mass market "tariff" type arrangements.

The precise scope of business customers about whom QoS information was to be collected could be discussed with the Topcomm comparability auditor as part of the "take-on" process we have advocated in our covering letter.

Section 6: How should the information be verified?

Question 48: As a provider, do you internally audit information on quality of service? What data do you audit and how much does this cost?

Question 49: If a member of the TopComm scheme, did you internally audit information on quality of service prior to the imposition of the scheme and what, if any, additional auditing costs did you incur as a result of the scheme?

We are not a member of the Topcomm scheme but have robust systems in place to audit and quality check the customer service experience over a range of variables including the sort of parameters discussed in this consultation.

Question 50: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – should Ofcom determine the verification process or leave it to providers?

Question 51: Should any verification process include either an internal or independent audit, or both?

Question 52: If we considered it was appropriate for data to be audited internally, should internal auditors be required to possess a recognised qualification?

Question 53: What would be an appropriate qualification for internal auditors?

Question 54: Should internal auditors have to pass a test on the regime and, if so, who should administer it?

Question 55: If we considered it was appropriate for data to be audited internally, how often should internal audits take place?

Question 56: If we considered it was appropriate for data to be audited independently, how often should independent audits take place?

Question 57: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – how frequently should data be submitted for publication?

Question 58: How long a period would be required between the end of the data collection period and the publication of information?

Question 59: What would be an appropriate sample size in order to ensure that information is robust?

Question 61: How many site visits do you consider appropriate and why?

Question 62: If we considered it was appropriate to audit the data internally what measures should an internal auditor take to verify the QoS information?

Question 63: If we considered it was appropriate to audit the data independently, what measures should an independent auditor take to verify QoS information?

Question 64: To what extent should Ofcom specify how audits should be carried out?

Question 65: If we considered it was appropriate to audit the data internally and independently, should we amend the existing Direction to make the verification process more robust?

Question 66: Would there be scope to reduce the cost of site visits if providers used the same independent auditor?

Question 67: What would be the cost of an internal auditor visiting all sites over a period of a year?

The above questions cover very detailed aspects of the audit of the Topcomm scheme. We have suggested in our covering letter a co-regulatory approach to the detailed aspects of QoS reporting that would allow Ofcom a role in establishing an acceptable audit framework, amongst other things. While some general principles could be set out in the detailed co-regulatory document (and we have suggested in our covering letter some principles for inclusion) there would still, in our view, need to be an individual assessment on the audit approach that would provide appropriate assurance, as each provider is "taken-on" to the formal arrangements.

In our view, it will be important that audit specifications are not too onerous at the outset for any individual provider, but that there are mechanisms for reviewing and tightening the specification of required audit work if concerns about data quality arise. Equally, the costs of the audit work should be borne by providers in proportion to the amount of audit work they generate rather than being recovered by means of a flat fee across all providers. This will be important in order to have a reasonable degree of cost-reflectivity and to present to each provider an economic signal about the quality of data provided and the risks of the business model and geographic arrangements chosen to deliver service to customers.

Question 60: As a provider please could you provide information on:
the number of stages involved in each QoS event set out in section 5;
the number of sites (locations) associated with each QoS event;
the percentage of QoS events located at each site; and
the number/percentage of sites based overseas.

SSE is not a member of Topcomm and so we have taken a generic view, below, of some of the main areas where QoS data is currently required for fixed line telephony. As background, although SSE has a number of sites where customer contact can occur across the complete range of its products, at present all the telephony customer service is carried out from one site while

customer sales processing is carried out at a different site. Thus, there is a maximum of 2 geographic sites potentially involved in dealing with QoS events for telephony, with the majority concentrated in the "customer service" location. We have no telephony-related sites overseas.

For the QoS event associated with provision of service, we see the following stages:
1 End-user contract signing
2 Contract entry and verification in to SSE systems
3 Order sent to Openreach
4 Openreach fulfil order
5 Customer has service SSE informed

For the QoS events associated with complaint handling, we see the following stages:
1 End user contact
2 Complaint recorded and reported
3 Complaint monitored
4 Complaint resolved

For the QoS event associated with fault repair, we see the following stages:
1 End-user contact reporting fault
2 initial attempt to resolve and entry into SSE systems
3 Repair order sent to Openreach
4 Openreach fulfil order
5 Customer has service restored and SSE informed

Question 68: If we considered it was appropriate to audit the data independently, how should any independent auditor(s) be appointed?
We are not aware of any issues with the approach taken by the Topcomm forum to date in appointing a single independent auditor. It would appear appropriate for this practice to be formalised in the QoS framework, with Ofcom having an involvement, through the co-regulatory arrangements we have proposed in our covering letter, in the ability to veto an appointment that the forum is minded to make.

Question 69: If we considered it was appropriate to audit the data independently, should providers all appoint the same independent auditor?
This seems sensible and is, we understand, what has happened to date.

<u>**Section 7: Publication of the information and promoting awareness**</u>
We have argued in our covering letter that there are a number of sources and potential sources of QoS information on suppliers of communications services and we are therefore of the view that there is no need for Ofcom to mandate the gathering of QoS information by suppliers, although we do support the provision of this type of information by network providers. We believe it is more the role of Ofcom, rather than individual providers, to promote the existence of comparative QoS information. Thus, Ofcom could encourage and promote the information provided on supply QoS by research companies and, through a development of the Topcomm co-regulatory structure (as discussed in our covering letter), have an input to the format via which network QoS data is provided on the Topcomm (or similar) website.

Question 70: If they published QoS information, should providers publish trend data?

Through involvement in a co-regulatory scheme, Ofcom could influence how data was to be presented on the Topcomm website.

Question 71: How could the information be made accessible to all consumers, in particular disabled consumers and consumers without Internet access?
Topcomm could be required, through co-regulatory arrangements, to send information out to customers in hardcopy if requested – and in a variety of formats that would meet the needs of disabled customers.

Question 72: Should providers be required to provide a link to the specified website on their websites? Where should the link appear and what should it say?
This appears to be a proportionate requirement on those providers who are required to be member of the Topcomm scheme. We believe there should be reasonable flexibility on where such a link would appear and how it would be described.

Question 73: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – what should be done to promote awareness of the scheme and improve usage of the information?
As outlined above, we believe it is a part of Ofcom's role to decide what type of promotion of QoS information will be cost effective and in customer's best interests. We believe there might be a role for third party research, comparison and switching sites.

Question 74: If we considered it was appropriate to continue requiring providers to publish QoS information – and that the existing QoS Direction should be amended – is 'TopComm' the right name under which to publish the information or should alternatives be considered?
We tend to agree that the name "Topcomm" could probably be bettered. Given our suggestion that Topcomm becomes focussed on network quality issues, perhaps it could share the name "TopnetUK" ?