



# Accreditation scheme for price comparison calculators

Launch of new scheme and invitation for applications

Specification

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## Section 1

# Executive summary

- 1.1 Active consumer behaviour is a key condition for healthy competition to exist in a market. By searching out offers in terms of price and quality, comparing them, switching between providers or negotiating a better deal with an existing communications provider, consumers can influence the market in many ways. Furthermore, some consumers play an important role in giving advice about services, providers, prices and quality to other consumers, enabling them to make better informed choices.
- 1.2 This document sets out the operational details of a new accreditation scheme for price comparison calculators providing consumers with information and advice on communications services.
- 1.3 The reasons behind our decision to launch a new accreditation scheme are described in Ofcom's Consumer Policy statement, published alongside this document and following consultation with stakeholders. We believe that a new scheme, offering consumers quality-assured price comparison services for both individual and bundled communications services - which is widely promoted by Ofcom and which consumers are advised to use - is the most effective means of ensuring wide availability of independent price comparison information, one of the key elements of consumer empowerment.
- 1.4 We will continue to keep the operation of the accreditation scheme under review and consider whether to revise it in light of our experiences and any comments we receive.
- 1.5 The new scheme goes live today. Accreditation is open to organisations<sup>1</sup> providing price comparison information on a wide variety of communications services including fixed telephone, mobile, international roaming, Internet, broadband, Voice over IP, digital TV and bundled services.
- 1.6 The objectives of the new scheme are to:
  - accredit calculators offering price comparisons on a wide range of communications services;
  - ensure the application process for accreditation is fair and transparent;
  - ensure the approval criteria on which applicants are judged leads to accurate and easy to use information for consumers; and
  - promote consumer awareness of accredited calculators and boost the value of accreditation.
- 1.7 The application process and approval criteria for accreditation are set out in this document. Accredited price comparison calculators are required to be accessible, accurate, transparent and comprehensive. We are keen that accredited services are available to all consumers – in particular disabled users and consumers without Internet access.

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<sup>1</sup> Including individual persons

1.8 Potential applicants should contact Ofcom at [price.accreditation@ofcom.org.uk](mailto:price.accreditation@ofcom.org.uk).

## Section 2

# Introduction

## Regulatory framework

- 2.1 Ofcom's principal duty is to further the interests of citizens in relation to communications matters; and further the interests of consumers in relevant markets, where appropriate by promoting competition.
- 2.2 Active consumer behaviour is a key condition for healthy competition to exist in a market. By searching out offers in terms of price and quality, comparing them, switching between providers or negotiating a better deal with an existing communications provider, consumers can influence the market in many ways. Furthermore, some consumers play an important role in giving advice about services, providers, prices and quality to other consumers, enabling them to make better informed choices.
- 2.3 Ofcom has an obligation under Article 21(2) of the Universal Service Directive (USD) to encourage the provision of information to enable end-users, as far as appropriate, to make an independent evaluation of the cost of alternative usage patterns. This provision is reflected in General Condition 10.1 which - among other things - requires communications providers to publish clear and up-to-date information on prices and tariffs. Ofcom may also arrange for the publication of information and advice on communications services as it appears to us appropriate<sup>2</sup>.

## Ofcom Price Assurance Standard (PASS) Scheme

- 2.4 Prior to Ofcom's creation, Oftel explored a number of options to encourage the provision of comparable price information. An earlier scheme whereby communications providers self-provided information for a price comparison website ([www.phonebills.org.uk](http://www.phonebills.org.uk)) did not deliver the anticipated benefits. In 2002, Oftel introduced a scheme called Oftel PASS for websites which compare the prices of different suppliers and provide impartial and accurate information. The scheme was adopted and re-branded as the 'Ofcom PASS' in 2003.
- 2.5 This approach sought to balance two factors. First, it recognised that the market has evolved to support intermediaries which provide price comparison information. Secondly, it helped to ensure that such services provide information of a quality which allows consumers to make an informed and fair choice, as required by the USD.
- 2.6 Websites displaying the Ofcom PASS logo were required to comply with a strict code of practice to ensure consumers were provided with independent, accurate and up-to-date price information. This quality standard was underpinned by the scheme's accreditation process. In order to obtain accreditation, websites had to meet twelve criteria set out in the Ofcom PASS Code. For example, services were required to be independent, up-to-date and free to the consumer. Accreditation was renewed, subject to review, on an annual basis.

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<sup>2</sup> Section 26 of the Communications Act 2003

## Ofcom's Consumer Policy

- 2.7 In February 2006 we published *Ofcom's Consumer Policy* consultation document ('the February 2006 Consumer Policy consultation'). The purpose of this consultation was to set out Ofcom's approach to the promotion of consumer interests and elicit stakeholder views on a number of issues and options related to consumer policy.
- 2.8 In the February 2006 Consumer Policy consultation we recognised that communications markets have changed significantly since the PASS scheme was first established, with a far greater range of services and providers for consumers to choose from. We also acknowledged that consumer awareness of the scheme was low and more needed to be done to promote the scheme and add value to gaining accreditation. We considered that it was appropriate to conduct a full review of the scheme and asked for stakeholders' views on four options:
- Withdraw the scheme;
  - Maintain the scheme as it stands;
  - Retain, review and re-launch the scheme; or
  - Establish closer links with a single price comparison provider.
- 2.9 This document is published alongside the conclusions of *Ofcom's Consumer Policy* statement ('the December 2006 Consumer Policy statement') which clarifies our understanding of the important role that consumer information plays in competitive markets and sets out the findings of our review of the four options.
- 2.10 In the December 2006 Consumer Policy statement we have concluded that Option 3 – to retain, review and relaunch Ofcom's price accreditation scheme – is the best option. This option was favoured by the majority of respondents to the February 2006 Consumer Policy consultation who identified significant value in the provision of quality-assured, independent comparative information on price. It is also supported by our research which confirms the idea that significant numbers of consumers would be more inclined to participate in communications markets if they had access to price comparison information accredited by Ofcom and would in turn share this knowledge with other people in their social network<sup>3</sup>.
- 2.11 Option 3 will enable Ofcom to bring the scheme up to date and take account of new services and delivery methods – in particular bundled services that have the potential to make comparisons and switching more complex. It will also give us the opportunity to relaunch the scheme and at the same time raise awareness amongst consumers.
- 2.12 This document sets out the operational details of a new accreditation scheme for price comparison calculators to help provide consumers with accurate information that enables them to compare the cost of different services and shop around with confidence. We believe that a new scheme, offering consumers quality-assured price comparison services for both individual and bundled communications services - which is widely promoted by Ofcom and which consumers are advised to use - is the most effective means of ensuring wide availability of usable, accurate and up to date price comparison information, one of the key elements of consumer empowerment.

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<sup>3</sup> The Consumer Experience Research Report - <http://www.ofcom.org.uk/research/tce/report/research.pdf>

- 2.13 The new scheme takes on board the detailed comments and suggestions we received from a wide range of stakeholders in response to the February 2006 consultation. Responses to the consultation are discussed further in the December 2006 Consumer Policy statement.

### **The new accreditation scheme goes live today**

- 2.14 In the February 2006 Consumer Policy consultation we said that Ofcom would carry out a further consultation on price comparison information and the future of the PASS scheme later in the year.
- 2.15 We do not intend to issue a further consultation document on the policy behind this new accreditation scheme as mentioned in the February 2006 consultation, as we have already received a strong policy steer from stakeholders following this time around. However, we will keep the operation of the scheme under constant review. We will continually take comments from stakeholders on the application and value of the scheme, considering whether to revise it in light of our experience of operating the scheme and any comments we receive. The new scheme therefore goes live today and Ofcom is inviting potential applicants to apply for accreditation (see Annex 1 for how to apply).
- 2.16 By launching the scheme today and keeping it under review, we will enable consumers to start to benefit from accredited information at the earliest opportunity and at the same time ensure that the scheme remains appropriate and up to date as market conditions and consumers' requirements change.
- 2.17 Whilst the future of the Ofcom PASS has been under review by Ofcom, we have not accepted any new applications for accreditation and have not renewed the accreditation of any existing accredited websites. This new accreditation scheme therefore replaces the Ofcom PASS.



## Section 3

# The new accreditation scheme

## Objectives of the new scheme

- 3.1 As set out in the February 2006 Consumer Policy consultation, communications markets have developed significantly since the Ofcom PASS was first introduced nearly 4 years ago, with greater numbers of communications providers and services and new types of services - as well as the option of bundled services - to choose from. Therefore a key objective of the new scheme is to provide consumers with information on a wider range of communications services and providers. Our proposals in this area are set out under 'Scope' below.
- 3.2 In addition, the application process for accreditation must be fair and transparent. For example, during our review of the future of the Ofcom PASS we have received comments from stakeholders that the charging scheme for Ofcom PASS applications was unfair and acted as a barrier to smaller price comparison organisations gaining accreditation. Our conclusions are set out under 'Process' below.
- 3.3 A third area addressed by the new scheme is the criteria on which potential applicants are judged. The new scheme needs to make sure that accreditation offers genuine quality assurance and that the advice provided is based on accurate, comprehensive and up to date information. However this requirement needs to be balanced with the need for price comparison services to be provided in an accessible format that consumers find easy to understand and use. We set out the various standards applicants must meet under 'Criteria' below.
- 3.4 The final area addressed by the new scheme is 'Consumer awareness'. If consumers are not aware of Ofcom's accreditation scheme or do not understand the significance of accreditation, it holds no value. And if accreditation holds no value, price comparison organisations will have little incentive to meet Ofcom's quality assurance standards in order to attain accreditation.
- 3.5 To summarise, the objectives of Ofcom's new accreditation scheme are to:
- Extend the **scope** of the scheme and accredit calculators offering price comparisons on a wide range of communications services;
  - Ensure the **application process** for accreditation is fair and transparent;
  - Ensure the **approval criteria** on which applicants are judged leads to accurate and easy to use information for consumers; and
  - Promote consumer **awareness** of accredited calculators and boost the value of accreditation.
- 3.6 The rest of this section considers how the new accreditation scheme will address each of these objectives.

## Scope

- 3.7 The Ofcom PASS scheme enabled Ofcom to accredit websites offering price comparison services for mobile, fixed and broadband services. Whilst it did not

explicitly limit the scope of accreditation it talked generally about 'telecoms' services - rather than 'communications'.

3.8 The PASS Scheme accredited just one website – uSwitch.com – for its fixed line telephone price comparison service only. This drew significant criticism from some of our stakeholders who, in response to the February 2006 consultation, suggested more should be done to accredit other types of communications services – as well as bundled services - and to combine the scheme with quality of service information to provide a more comprehensive view.

3.9 We agree that the scope of the accreditation scheme needs to be widened – the market has developed significantly since the PASS was introduced and consumers face a greater number of services and providers to choose from:

- The fixed line market has undergone a significant structural shift following the introduction of full Carrier Pre-Selection (CPS) and Wholesale Line Rental (WLR) with greater numbers of UK lines now taking call services from a provider other than BT.
- There has been continued growth of broadband – with an estimated 43% of homes having a broadband connection by the end of March 2006. Consumers are now faced not only with a greater choice of services and provider but also new terms to understand such as 'contention ratios' and 'usage caps'.
- In the mobile market, the launch of 3 and growth of the Mobile Virtual Network Operators (Virgin, Tesco and others) has led to increased competition and greater choice for consumers.
- Consumers have demonstrated considerable interest in bundled products (services offering a combination of fixed/mobile/broadband/pay TV) which offer benefits such as lower prices, a single point of contact, simplification and new services. Because each multi-play service available has a different set of characteristics comparing offerings may become more complex.
- International roaming services offered by UK mobile operators provide an easy and convenient service for consumers wanting to use their mobile phone overseas. Although some providers have simplified their international roaming pricing over recent years, it can still be difficult for mobile users to have a clear idea of the price they are likely to pay when using their phone overseas.

3.10 The new accreditation scheme will therefore be open to organisations offering price comparison services for a range of communications services, including – but not limited to:

- Fixed telephone
- Mobile telephone
- International roaming
- Narrowband internet
- Broadband
- Voice over IP

- Digital TV
  - Bundled services
- 3.11 Accreditation will apply specifically to the 'price calculator' or method by which organisations compare services.
- 3.12 In addition, we will encourage organisations whose price calculators are accredited to provide consumers with advice on factors other than price, such as customer satisfaction and quality of service. In particular, we will require all accredited organisations – as appropriate - to advise consumers to visit industry websites providing quality of service information:
- The fixed providers launched their website - [www.topcomm.org.uk](http://www.topcomm.org.uk) - on 27 July 2006. The site provides comparable information on service provision, fault incidence and fault repair, complaints processing and upheld billing complaints.
  - The mobile network operators launched their website - [www.topnetuk.org](http://www.topnetuk.org) - on 5 September 2006, with results of independent mobile network voice quality surveys across the UK.
- 3.13 Topcomm and Topnet are exploring the feasibility of providing additional data for broadband and 3G quality of service, and are considering alternative ways of providing quality of service information to consumers without web access.
- 3.14 We are undertaking a full review of both schemes, based on end user feedback and independent research and will publish proposals in 2007.

### Application process

- 3.15 The accreditation process needs to be fair and transparent to ensure that all applications are judged on an equal basis.
- 3.16 We will explain to applicants what is required from them at each stage of the application process. This is set out in our information for applicants *Ofcom accreditation scheme for price comparison organisations – applying for accreditation* (see Annex 1). This document will be available separately on our web site.
- 3.17 The application process consists of 5 key stages:
- Stage 1 Applicant submits short description of service to Ofcom
  - Stage 2 Successful applicants invited to meet Ofcom
  - Stage 3 Successful applicants' calculators audited by independent analyst
  - Stage 4 Successful applicants enter into contract with Ofcom and are accredited
  - Stage 5 Accreditation kept under review and renewed annually
- 3.18 Where an organisation's calculator is successfully accredited, the organisation will enter into a contract with Ofcom and can display the Ofcom logo and/or state that "this calculator is accredited by Ofcom, the regulator for communications services in the UK". We will include an explanation of the accreditation scheme and a list of accredited calculators on our website to which accredited organisations can link.

- 3.19 We will work closely with applicants throughout the accreditation process and provide additional advice and information, where appropriate, to help organisations gain accreditation.
- 3.20 Ofcom will keep accredited calculators under review to ensure they continue to meet the standards required for accreditation. If we are not satisfied that an organisation is meeting the standards required, we will remove accreditation.
- 3.21 Accredited organisations will be required to notify Ofcom of any significant changes to their calculator (above and beyond regular updates).
- 3.22 Individual accreditations will be renewed annually, subject to review.
- 3.23 Respondents to the February 2006 consultation were divided on whether price comparison organisations should be charged a fee for accreditation. We believe a reasonable cost may be necessary to contribute to costs and to deter vexatious or frivolous applications – but that such a cost should not deter smaller potential applicants who may offer non-for-profit services, from accreditation.
- 3.24 We have decided that organisations reaching Stage 3 of the application process will contribute to the cost of the independent audit. However the level of the audit fee will depend on the nature of the applicant’s business. In particular, organisations who do not receive commission payments from the communications providers on whom they provide price comparisons, do not charge consumers to use their service and/or who are not a communications provider themselves, will be subject to a lower audit fee. Accredited organisations will also be required to contribute to the cost of the annual independent in a similar way albeit at a lower contribution cost.
- 3.25 The audit fees set out below are indicative figures at this stage. Once the new scheme is up and running, we will develop our understanding of the number and type of organisations applying for accreditation and the likely overall operational costs to Ofcom. We will keep this issue under close review and inform potential applicants of any changes to the audit fees.
- 3.26 Below is an indication of our current initial and annual audit contributions.

**Indication of current initial audit contribution**

Applicants who receive commission payments from the communications providers they feature; charge consumers to access their services; and/or are a communications provider themselves	£6000
Applicants who do not receive commission payments from the communications providers they feature; do not charge consumers to access their services; and are not a communications provider themselves	£1000

**Indication of current annual audit contribution**

Applicants who receive commission payments from the communications providers they feature; charge consumers to access their services; and/or are a communications provider themselves	£3000
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Applicants who do not receive commission payments from the communications providers they feature; do not charge consumers to access their services; and are not a communications provider themselves	£500
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## Approval criteria

### Access

- 3.27 PASS accreditation was only available to organisations providing price comparisons online. In response to the February 2006 consultation, some respondents reasonably noted that online solutions do not cover everybody's needs and that all consumers – not just those with Internet access – need access to independent price comparison information.
- 3.28 In revising and re-launching the scheme, we will encourage the provision of price comparison information to consumers without internet access and ensure that accreditation is extended to these alternative means of provision. The same approval criteria will apply regardless of how the advice is provided.
- 3.29 In particular, we would like to accredit only the calculators of providers of online price comparison services who also offer consumers the ability to get advice and switch offline. If we find that this requirement deters some price comparison organisations from applying for accreditation, we will review our position. However we are aware that a number of existing organisation providing online services – including [www.uswitch.com](http://www.uswitch.com) and [www.simplyswitch.com](http://www.simplyswitch.com) – already offer their customers the option of speaking to an adviser and switching over the telephone.
- 3.30 More generally, we will require the price comparison organisation to ensure its services are accessible to disabled users. For online services, this may include ensuring blind and partially sighted users can use a screen-reader or enlarge text. For telephone based services this may include provision of a Textphone service for deaf users.
- 3.31 In addition, it is the responsibility of all price comparison organisations to make sure they comply with the Disability Discrimination Act and Data Protection Act and any other relevant legislation.

### Charging

- 3.32 PASS accreditation was not available to organisations who charged consumers for price comparison information.
- 3.33 We continue to believe it is essential that consumers have access to free information and advice in order to maximise the opportunities all consumers have to make accurate price comparisons and shop around with confidence. However we recognise that the business models of some price comparison organisations may be based on consumers paying a fee to access the advice (for example rather than receiving commission payments from communications providers) and we do not want prohibit these types of services from applying for accreditation.
- 3.34 As such, under the new scheme we are opening up accreditation to include organisations that impose a reasonable charge on consumers accessing their services. We believe this will support the development of innovative comparative

information which may offer consumers an added level of interactivity and support, for example regular advice on the best deals available based on consumers' actual bill data. A 'reasonable charge' for example could be judged according to the type of service being offered and the value gained by consumers.

- 3.35 We believe that the majority of price comparison services applying for accreditation will continue to be free of charge to consumers. However, if as a result of consenting to accredited providers charging consumers to access information, we see a general decline in the availability of free services, we will review the operational details of the new scheme and may decide to withdraw this consent.

### **Accuracy**

- 3.36 It is essential that the data used to calculate price comparisons is kept up to date so that consumers are presented with accurate information on prices and tariffs. This should reflect the availability of special offers and any upfront costs, for example installation and equipment.
- 3.37 The PASS scheme required that prices and price comparisons must be accurate and up to date. Data had to be updated at least every eight weeks and the web site was required to indicate when they were last updated. We have received no feedback from stakeholders that they set too high or too weak a bar for accreditation. We therefore propose to keep these requirements in place under the new scheme.

### **Transparency and independence**

- 3.38 Ofcom did not award PASS accreditation to any website that it believed to be closely connected with or influenced by a particular communications provider, or that advertised the services of any communications provider.
- 3.39 Whilst we believe it is essential that any advice presented to consumers is accurate and up to date, we do not believe it is always necessary for price comparison organisations to remain completely independent from communications providers, for example:
- A price comparison organisation which enables a consumer to switch communications provider could earn a commission from the winning provider;
  - A price comparison organisation could enter into an exclusive deal with a communications provider and offer extra savings or 'cash back' incentives, to consumers who switch to that provider (always provided that price comparisons are accurate and do not unfairly promote one provider over another);
  - A price comparison organisation could comment publicly on the performance or price changes of an individual communications provider; or
  - A communications provider could provide a price comparison service itself to show how its services compare to its competitors.
- 3.40 We do not believe factors such as these should automatically exclude an organisation from seeking accreditation. Our research shows that consumers are most likely to visit communications providers' websites to search for information when shopping around. Consumers would therefore benefit from being able to access comparative information in this way. They could also benefit by taking advantage of exclusive offers which increase the incentives to switch.

- 3.41 By focusing accreditation on the accuracy of the price comparison calculator, we will continue to guarantee that consumers using accredited price comparison services receive accurate advice on whether they would be better off switching provider.
- 3.42 Equally however, we believe that any organisation that is linked to a communications provider must be transparent about any commercial agreements it has in place.
- 3.43 The PASS scheme stated that if a website earned commission payments or some other remuneration from telecoms providers, it must disclose this clearly to users. The purpose of this was to make sure consumers were aware that winning providers received a commission payment, without disclosing potentially commercially sensitive information.
- 3.44 In its response to the February 2006 Consumer Policy consultation, BT argued that individual commission payments should be disclosed by price comparison providers: this would increase transparency and could help reduce incentives for price comparison organisations to favour particular providers.
- 3.45 We do not believe it is necessary for individual commission payments to be disclosed. This would not affect the data and accuracy used by the price calculator - the focus of the new accreditation scheme - and the advice that consumers receive.
- 3.46 However we do recognise that there is a risk associated with allowing accredited organisations to include exclusive deals in their price calculations, particularly where the organisation is also a communications provider. Whilst we are not ruling out the ability for accredited organisations to enter into exclusive deals with communications providers at this point in time, we will keep this issue under close review. In particular we may decide to revise our approach if we believe the inclusion of exclusive deals is having a negative impact on consumers' ability to access reliable comparative information.
- 3.47 In addition, to ensure a reasonable level of transparency we will require providers of accredited calculators to comply with the following:
- If the price comparison organisation is a communications provider, the calculator must enable consumers to sort the results of any price calculation by price (so that the organisation's own service does not always appear at the top of the list); and
  - The price comparison organisation must make it clear to consumers how it makes money or funds its activity. If the price comparison organisation earns a commission from communications providers this (but not the actual amount, which may be commercially sensitive) should be disclosed.

## **Comprehensiveness**

- 3.48 It is important that price comparison information is full and comprehensive. Price comparison calculators need to include an appropriate number and type of communications providers in order to give consumers accurate advice on whether they would be better off switching.
- 3.49 Excluding particular providers or services from the calculation could mislead consumers – and we believe consumers are unlikely to be attracted to price comparisons that do not include a sufficient number of services or exclude some key players. Equally however, we appreciate that in certain markets – such as the market

for fixed line calls or narrowband Internet access – it would simply not be possible for calculators to include each and every service available.

- 3.50 The PASS scheme required websites to provide price information on at least 10 different fixed line providers and four mobile network operators. As set out in Section 2 of this document, communications markets have developed significantly since the PASS was introduced and the new scheme needs to address the increased level of choice available to consumers across all markets.
- 3.51 We do not believe it is feasible for the new scheme to list the number or name of individual communications providers which price comparison organisations need to include in their calculators, particularly given the extended scope of the scheme to a wide range of communications markets. Communications markets are highly dynamic and such a list would soon go out of date. Instead, under the new scheme we expect organisations to include a comprehensive number of providers to reflect the level of choice available to consumers in the relevant market, including key players.
- 3.52 This would specifically exclude from accreditation for example any organisations that seek to promote a particular communications provider by limiting the number of services included in the calculation or by excluding key players.
- 3.53 We will advise organisations where we do not believe a price comparison calculator is sufficiently representative of the market for which it is providing price comparisons. The type of criteria we will take into consideration in deciding whether a calculator is sufficiently comprehensive include:
- whether the calculator includes communications providers of a certain size; and
  - what percentage of the market the calculator covers.
- 3.54 Information on market shares can be found in Ofcom’s annual Communications Market report. The latest report *The Communications Market 2006* is published on Ofcom’s web site [www.ofcom.org.uk](http://www.ofcom.org.uk)
- 3.55 It is also important that consumers are given advice on services which are available in their geographic area. Under the new scheme we would therefore expect price comparison calculators to take into account the consumers’ location when presenting information on what services are available. This is likely to be particularly important for broadband and digital TV comparisons and fixed line comparisons for consumers in Hull.

### Consumer awareness

- 3.56 If accreditation is to be of value to price comparison organisations, we need to consider how Ofcom can ensure consumers are encouraged to seek advice from accredited organisations.
- 3.57 As set out in the December 2006 statement, our research has found that a significant number of consumers state they would participate more actively in the market if they had access to comparable information on price and customer service, and if the regulator approved reliable and trusted comparison websites. We recognise that very few consumers were aware of the existence of the PASS scheme and more needs to be done under the new scheme to raise levels of awareness and encourage people to use the information that is available.



3.58 To promote awareness of accredited organisations and encourage consumers to use the information that is available we will:

- List those organisations whose calculators we have accredited on the Ofcom website, including the organisation's web site address and/or customer service number;
- Advise consumers contacting the Ofcom Contact Centre to visit or call accredited organisations for more information about what deals are available;
- Advise other intermediaries – such as MPs, consumer groups and the media – that consumers will find the best information on what deals are available from accredited organisations;
- Consider ways to provide general advice about opportunities for switching and direct consumers to accredited sources of information; and
- Consider other ways of promoting the existence and availability of accredited price comparison information.

## Annex 1

# Ofcom accreditation scheme for price comparison calculators – guidelines on how to apply

## Scope of accreditation scheme

A1.1 Ofcom will consider accrediting price comparison calculators for all communications services that fall within our remit. This includes, but is not limited to the following communications services:

- Fixed telephone
- Mobile telephone
- International roaming
- Narrowband internet
- Broadband
- Voice over IP
- Digital TV
- Bundled services

## Application process for accreditation

A1.2 There are five steps in the application process for accreditation.

### Step 1

A1.3 Applicants should contact Ofcom at [price.accreditation@ofcom.org.uk](mailto:price.accreditation@ofcom.org.uk). Applicants will be asked to submit a short description of the price comparison calculator they provide, which should include the following information:

- When the service was launched
- The communication service(s) for which price comparison information is provided
- How prices are calculated
- How consumers can access the information e.g. via a website or a customer helpline
- How many consumers have used the calculator to compare services and/or switch

- How the business model works (including whether the organisation receives commission payments from communications providers, whether the organisation is run or owned by a communications provider and whether consumers are charged to access the service)

A1.4 Applicants may be asked to submit further information by Ofcom.

### Step 2

A1.5 If Ofcom is satisfied that the service has the potential to meet the approval criteria, it will then invite the applicant to meet with Ofcom to give a demonstration of its service and answer any questions.

### Step 3

A1.6 If Ofcom remains satisfied that the service has the potential to meet the approval criteria, it will ask an independent analyst to undertake a technical audit of the applicant's price comparison calculator and its processes for ensuring price and tariff information is kept up to date.

A1.7 Applicants will be asked to contribute to the cost of this independent audit. Charges will be determined on the following basis:

Applicants who receive commission payments from the communications providers they feature; charge consumers to access their services; and are a communications provider themselves	£6000 (Indicative figure)
Applicants who do not receive commission payments from the communications providers they feature; do not charge consumers to access their services; and are not a communications provider themselves	£1000 (Indicative figure)

### Step 4

A1.8 Successful applicants will then enter into a contract with Ofcom. Ofcom will issue successful applicants with a certificate of accreditation. Where an organisation's calculator is accredited, the organisation can display the Ofcom logo alongside the following statement:



**This price comparison calculator is accredited by Ofcom, the regulator for communications services in the UK**

A1.9 We will provide a link to our website which will include an explanation of the accreditation scheme and a list of accredited organisations.

## Step 5

A1.10 Accreditation will be renewed, subject to an independent audit, on an annual basis. Applicants will be asked to contribute to the cost of the annual independent audit. Charges will be determined on the following basis:

Applicants who receive commission payments from the communications providers they feature; charge consumers to access their services; and are a communications provider themselves	£3000  (Indicative figure)
Applicants who do not receive commission payments from the communications providers they feature; do not charge consumers to access their services; and are not a communications provider themselves	£500  (Indicative figure)

## Approval criteria

A1.11 Accredited price comparison calculators must be accessible, accurate, transparent and comprehensive:

### Accessible

1. Services must be accessible by all consumers including disabled users.
2. Web-based services should offer consumers the option of getting advice offline.

### Accurate

3. Data used to calculate price comparisons should be updated at least every eight weeks. Web based calculators should indicate when they were last updated.
4. Data on prices and tariffs should reflect the availability of special offers and any upfront costs, for example installation and equipment.

### Transparent

5. The price comparison calculator must enable consumers to sort the results of any price calculation by price.
6. The price comparison organisation must make it clear to consumers how it makes money or funds its activity.

### Comprehensive

7. Price comparison information must be full and comprehensive. Data should include a comprehensive number of providers to reflect the level of choice available to consumers in the relevant market, including key players.
8. Price comparison calculators should take into account the consumers' location when presenting information on what services are available.

9. Consumers should be advised to consider factors other than price and encouraged to visit the industry websites providing quality of service information [www.topcomm.org.uk](http://www.topcomm.org.uk) and [www.topnetuk.org](http://www.topnetuk.org).
- A1.12 In addition to the approval criteria set out above, Ofcom requires accredited organisations to comply with existing relevant legislation, including the Data Protection Act and Disability Discrimination Act and any other applicable legislation.