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Dear Ms Roberts

Review of alternative dispute resolution (ADR) schemes

Which? welcomes the opportunity to respond to Ofcom's call for inputs on the review of ADR schemes in telecoms markets. ADR is an integral part of consumer redress and this response draws on the findings of our recent review of ADR in telecoms markets, and ADR across the economy.

Which?'s believes that there are three roles for ADR schemes. Firstly, to help consumers to resolve complaints and receive compensation when things go wrong. Secondly, to help firms to improve their complaint handling. And finally, to help to tackle the root causes of complaints.

In addition to this, Which? believes that there are a series of good practice principles that ADR schemes should deliver against these three roles. They should be accessible, independent, effective, fair for consumers, and a driver of change.

Which? welcomes that the Ofcom review identifies many of the same principles. Ofcom should also consider how ADR schemes help providers in telecoms markets improve their complaints handling and reduce the causes of complaints by providing the tools and information to drive change. We have identified the following key aspects here:

- Stakeholder engagement and feedback - including firms and consumers;
- Analysis of complaints data by scheme;
- Publication of complaint data by the schemes; and
- Use of data by all relevant stakeholders including the regulator, government, and consumer bodies.

Number of schemes

Which? recognises there are costs and benefits to having multiple or single ADR schemes in a sector. We are comfortable with the communications sector having more than one scheme, as long as Ofcom ensures that the schemes deliver the three roles of ADR; there are sufficient incentives on schemes to deliver good consumer outcomes; and consumers find it easy to navigate and access ADR.



Accessibility

We welcome that Ofcom is considering how straightforward it is for consumers to make a complaint. Accessibility is a key concern for consumers and as part of the best practice that we have developed, Which? has considered the cost of submitting a complaint, the information provided to consumers about the process, the sector coverage, consumer awareness, and how easy it for consumers to navigate the landscape.

We have reviewed the accessibility and ease of access of both ADR schemes in communications markets. Both are free to the consumer and provide the option of additional support for those that need it. However, this information can be hard for consumers to find online and through other communications material. In particular, our consumer research has found a considerable difference in awareness of both schemes. While 20% of UK consumers are aware of Ombudsman Services: Communications, only 3% are aware of CISAS. Awareness of the communications ADR schemes is also lower than the Energy Ombudsman and significantly lower than the Financial Ombudsman.

Scheme	Consumer awareness
Ombudsman Services: Communications	20%
CISAS	3%
Financial Ombudsman	59%
Ombudsman Services: Energy	28%

Source: Which? consumer research, March 2017. Populus on behalf of Which? ran an online survey of 2075 UK representative adults.

As part of the review, Ofcom should consider how both firms and ADR schemes can help raise awareness of ADR as well as whether consumers find it easy to identify which scheme to access. If there is evidence of confusion Ofcom should consider whether steps can be taken to improve access including consideration of a single portal for consumers.

Fairness

Which? has reviewed the telecoms ADR schemes against this element of our good practice principles. We considered the award powers, compensation limits, and consistency between schemes and believe that the range of powers and the maximum compensation limit of £10,000 are reasonable. We welcome the fact that Ofcom is giving further consideration to scheme consistency.

Transparency

ADR schemes in the telecoms sector have the potential to publish more data. While we welcome the fact that the ADR schemes are planning to provide more information about cases on a provider-specific basis, we would also welcome:

- More data to be published on complaint volumes and type by provider. It would be useful to have information about the types of remedies awarded. The Energy Ombudsman and the Legal Ombudsman provide good examples of the type of data that ADR schemes can and should publish.

- Both schemes to publish their decision criteria. This should help consumers to understand their prospect of success and what information they need to submit. WATRS provides a good example of how to do this.
- More financial information. Currently neither scheme reports the cost of running their scheme. However, we recognise that Ombudsman Services publishes an annual report.
- Performance against KPIs. Improvements are needed on how both CISAS and Ombudsman Services provide updates on how they are meeting their targets.

If you have any further questions about our response, please do not hesitate to contact me.

Yours sincerely

Pete Moorey
Head of Campaigns