

Response to OfCom Report on the  
Statement of policy on the  
Persistent misuse of an electronic  
Communications service  
Published 31 Oct 2005

This document outlines the HBOS Group's response to the OfCom consultation report on:-

**Statement of policy on the persistent misuse of an electronic communications network or electronic communications service.  
Published 31 Oct 2005.**

## Introduction

The HBOS Group of Companies incorporates a significant number of high profile brands. The combination of Halifax and Bank of Scotland as HBOS creates a major and distinctive competitor in the UK financial services market, having the scale and the expertise to challenge the 'Big 4' clearing banks. HBOS has a substantial customer base and following the merger of Halifax and Bank of Scotland on 10th September 2001, this currently stands at 22 million customers.

With assets of over £440 billion, it is the UK's largest mortgage and savings provider as well as being a major player in the provision of new current accounts and credit cards in the UK.

With around 2.5 million private shareholders, HBOS also has the largest private shareholder register in the UK.

As one of the UK's leading financial organisations we have a huge presence in the community not only through the products and services that we provide to individuals, but by employing more than 60,000 people.

HBOS operates through a high street branch network and 10 major contact centres throughout the UK. A variety of work is undertaken by the contact centres, including extensive telephone operations covering both marketing and collections activity.

## HBOS's Headline Comments

Based on the minimal complaints received direct to this company, we are not convinced that there is a problem to address and suggest that more research is undertaken into the various uses of predictive dialing systems to identify the nature and source of any potential problem. There is a possibility that this action could be viewed as more media driven than statistically driven and that a blanket approach to regulation is being adopted, rather than concentrating on certain sectors of the industry that may be abusing this process.

If the statistics and research indicate that the regulation of this activity needs to be tightened, then we suggest that any changes to the regulations should incorporate regulation covering offshore power dialing activity. Without this you are not addressing where the true problem may lie.

# Responses to the consultation questions

## **Q1 Do you agree that consumers are concerned by silent calls and that Ofcom is right to take enforcement action against the companies that make them?**

Taking into consideration the recent press over silent calls, OfCom are justified in taking a more hardline stance. However, as a Group, over the last two years, we have received minimal queries on this matter. Are OfCom implementing these restrictive rules to all organisations just to be able to deal with the few companies operating outside of the current guidance?

## **Q2 Do you agree with Ofcom's proposed approach to taking enforcement action, guided by a sense of administrative priority?**

The current guidance does not cover offshore contact centre activity. Therefore the positive impact of these changes will be considerably weakened. We perceive that those operators in the UK acting responsibly are being further restricted, whilst those companies operating offshore will still operate with immunity.

## **Q3 Do you agree that the range of procedures proposed in the statement will be effective in reducing the degree of anxiety, annoyance and inconvenience caused by silent calls?**

For those operators that adhere to the proposals then yes we would agree. However, those operators who currently act responsibly will find themselves further constrained whereas those who currently flout the rules will continue to do so. In addition, providing a brief message to the customer could aggravate the situation as technically this would still be a silent call.

## **Q4 Are there any additional procedures which call centres could adopt to reduce the degree of anxiety, annoyance and inconvenience caused by silent calls?**

It is felt that these regulations, whilst they may be appropriate for telemarketing calls, may be too restrictive for a Collections operation. We believe the distinction is fundamental. As far as we are aware, the adverse press in relation to this matter stems from telemarketing activity, predominantly coming from offshore activities. With the Consumer Credit Act Phase II due to be implemented next year, the opportunities for contacting customers by telephone for late payment will be further restricted. Therefore we would like to see the 72-hour rule dropped for collection activity and the regulations looked at on a sector specific basis.

Our Collection activity areas are keen to ensure that they assist customers in resolving their delinquency problems as soon as possible. Abandoning the call is not a preferred option. An alternative solution to the play message, and the one we would prefer to adopt, would be to play a message to the customer providing them with our details and to hold the line until an operator was free or call us back on the free phone number.

## **Contact Details**

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