

Strategic Review of Telecommunications: Phase 2 consultation

Response to Ofcom's consultation from the Telecommunications Ombudsman Service

1 Introduction

- 1.1 The Telecommunications Ombudsman Service welcomes the opportunities Ofcom has provided for comments and discussion during the consultation period for Phase 2. The Service was pleased to be represented at roundtable discussions hosted by Ofcom in 22 December in Glasgow and 11 January in London, as well as being involved in the Westminster e-forum consultation seminar on 26 January.
- 1.2 Our response to the Phase 1 consultation focused on consumer protection and behaviour. We concluded that: "The speed and development of technology and the range of services offered in the communications sector have the potential to put consumers at risk. While many companies will recognise the value of educating consumers about new products and services and will help them to understand their rights, there will always be a need for objective information that consumers feel they can trust. Therefore, at this stage in the development of the market, Ofcom must ensure that clear and objective information is provided. It must also promote the rights of consumers to proper consideration of complaints and to appropriate forms of redress."
- 1.3 We note that section 9 of the consultation document and, question 17 in Annex B deal with these issues and our response relates to these. The key questions are: what information do consumers need to make effective choices; and who should provide it?

2 Response

- 2.1 The set of principles on consumer information is welcome, as is the recognition that the Universal Service Directive, as currently drafted, requires a proactive approach to information provision by the regulator. This does not mean the information needs to be provided directly. Comparison with gas and electricity shows that the regulator, Ofgem, "will be working with energywatch, to ensure that customers get the right information they need to make the market work for them".
- 2.2 A prior consideration has to be the availability of appropriate information from providers which would enable useful comparative information to be generated. The idea of the Ofcom Price Assurance Standard has potential, but at the moment only uSwitch has been accredited. Their ability to provide a service which gives consumers the facts they need to make informed choices is limited by the level of information from providers which is in the public domain. A requirement placed on providers by the regulator to publish common key data, which could then be presented to consumers by bodies such as uSwitch,

should be given consideration. It should go beyond simple pricing information so that comparisons of the many and varied bundles on offer can be made.

- 2.3 In this context, the idea of a 'consumer charter' or 'checklist' of information which consumers can expect to be available has been suggested. The information to be included might be derived from market research, and advice from the Consumer Panel. It would, potentially, provide a bench mark against which consumer complaints could be considered. On that basis, it is an idea which we would like to see given further thought.
- 2.4 Having now completed the investigation of more than 3,300 cases of which more than 1,200 raised issues of billing or charging, the Ombudsman does consider that there is confusion about the products and services available in the fixed, mobile and internet markets. The nature of 'bundled' packages is a particular source of confusion.

3. Conclusion

- 3.1 The provision of clear, comparable information which customers feel they can trust is essential to the development of this competitive market. We welcome Ofcom's principles on consumer information and look forward to seeing them developed. As a 'relevant stakeholder' we welcome the opportunity to play a full part in ensuring that consumers are aware of their rights to proper consideration of complaints and to appropriate forms of redress.

Peter Holland

Chairman
Telecommunications Ombudsman Service

3 February 2005