



The Consumer Experience 2015

Publication date: 10 February 2016

About this document

This is the tenth *Consumer Experience Report* outlining what we have done in 2015 to improve consumers' experience of broadband, phones, television and postal services.

This includes action to make services more accessible and affordable; to raise satisfaction and engagement; and to protect consumers from harm.

The Annex provides more detailed data on the pricing of services, consumer satisfaction, and the levels of consumer switching in the communications market during 2015. Some of the data underlying the *Consumer Experience Report Annex* is available as machine-readable, licensed open data at www.ofcom.org.uk/opendata.

Contents

Section		Page
1	Dashboard	3
2	Introduction	5
3	Value and prices	6
4	Improving the quality of communications services	10
5	More engagement, and easier switching	15
6	Making communications accessible	17
7	Consumer protection	20

Section 1

Dashboard

Ofcom carries out research and collects other data to understand the consumer experience of the communications services we regulate. We use this data to inform our work on improving consumer outcomes.

The dashboard below shows a summary of some of the key data points highlighting where increases or decreases are statistically significant from the previous wave of research. Further data and analysis is provided in this report and annex.¹

Pricing and affordability	2015	2014	2013
Average household spend on communications services (£ per month, 2014 prices) ²	n/a	£116.37	£116.85
Average monthly price of residential fixed broadband connection (£ per month, 2014 prices) ³	£17.83 ⁴	£17.19	£16.36
Standard line rental (£ per month) ⁵	£17.77	£16.77	£15.70
Lowest prices available for a basket of communications services typical of a 'networked family' household (£ per month) ⁶	£94.03	£104.67	£88.11
Consumers behind on their payments by one month or more in the last year (<i>all adults</i>) ⁷	2%	3%	n/a

Service quality and satisfaction	2015	2014	2013	
<i>Source: Ofcom Switching Tracker⁸</i>				
Overall satisfaction with provider (% customers)	Fixed line	88%	91%	89%
	Mobile	89%	89%	88%
	Fixed broadband	83%	85%	83%
	Digital TV	90%	92%	90%
	Bundle	85%	90%	89%
Total Number of Telecoms complaints per 100,000 subscribers ⁹	Fixed line	61.81	65.17	n/a ¹⁰
	Broadband	77.57	74.89	n/a
	Mobile	19.77	20.08	n/a
	Pay TV	19.21	16.28	n/a

¹ <http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/tce-15/Annex.pdf>

² Ofcom / operators; 2015 data were not available at the time of publication

³ Ofcom/ operators

⁴ Ofcom / operators; based on H1 2015 data

⁵ Simplifydigital, data as at end of each year; figures are the average of the prices offered by BT, Sky, TalkTalk and Virgin Media; nominal prices

⁶ Ofcom / Teligen; nominal prices, see page 15 of CER 2015 Annex for more details.

⁷ http://stakeholders.ofcom.org.uk/binaries/research/statistics/2015dec/affordability_omnibus_2015.pdf

⁸ See section 3 of the CER 2015 Annex.

⁹ Ofcom data

¹⁰ Equivalent data is not available for 2013

Consumer engagement and switching		2015		2014		2013	
<i>Source: Ofcom Switching Tracker</i>							
Switching (in the past 12 months):		Inc. home moves	Excl. home moves	Inc. home moves	Excl. home moves	Inc. home moves	Excl. home moves
Switched in the past year (% adults)	Fixed line	11%	9%	7%	6%	11%	9%
	Mobile	10%		7%		11%	
	Fixed broadband	11%	8%	8%	6%	11%	9%
	Pay-TV	7%	5%	3%	2%	5%	4%
	Free to air TV	5%	3%	3%	2%	1%	2%
	TV (any)	6%	4%	3%	2%	4%	3%
	Any service	18%	16%	13%	12%	20%	18%
	Dual play	12%	11%	7%	7%	10%	8%
	Triple play	11%	10%	7%	6%	10%	8%
Engagement (segmentation based on past and present behaviour)¹¹:							
Fixed line	% engaged	14%		13%		17%	
	% inactive	35%		38%		32%	
Mobile	% engaged	18%		16%		20%	
	% inactive	30%		34%		32%	
Fixed broadband	% engaged	18%		14%		18%	
	% inactive	29%		32%		31%	
Pay-TV	% engaged	15%		10%		17%	
	% inactive	24%		32%		25%	
Free to air TV	% engaged	5%		5%		6%	
	% inactive	48%		42%		50%	

Significantly increased since previous year
Significantly decreased since previous year
 (Significance testing at 99% confidence level)

¹¹ We measure engagement in communications markets by looking at a wide range of ways in which consumers can engage in the market, including by switching suppliers, staying informed, and being aware of changes in the markets. The segments analysed below are based on measures of past and present behaviour. Consumers classified as 'engaged' have a high score for both past and present behaviour; they may have switched previously and are currently open to the idea of a new provider. Those classified as 'inactive' have a low score for both past and present behaviour; for example, they may not have switched or considered doing so in the past four years and are currently not reporting any interest in doing so.

Section 2

Introduction

A nation that is well served by communications is a nation that can advance, both socially and economically.

Ofcom's central objective is to make communications work for everyone in the UK – whether they are private individuals or businesses – by focusing on three goals:

- to promote competition and ensure that markets work effectively for consumers;
- to secure standards and improve quality; and
- to protect consumers from harm.

This is the tenth annual *Consumer Experience Report*. It covers outcomes for consumers in the communications market in 2015 and highlights what Ofcom is doing to further their interests in line with our goals.

This concise report focusses on issues which directly affect consumers and which are not covered in other Ofcom publications. It covers:

- value and prices;
- the quality of communications services;
- consumer engagement and switching;
- making communications accessible; and
- nuisance calls, and other consumer protections.

Details of research data and other evidence is contained in the annex to the report.

Other relevant information is published by Ofcom separately, and we include appropriate cross references and links in the report and the annex. For example, comprehensive information on service availability is published in our *Connected Nations Report*.¹²

¹² <http://stakeholders.ofcom.org.uk/market-data-research/market-data/infrastructure/connected-nations-2015/>

Section 3

Value and prices

It is Ofcom's goal to further the interests of consumers by driving the benefits which flow from healthy competition: choice, value and innovation, whether in telecoms, broadcasting or the postal market. We only intervene in markets where competition is not effective.

Our overall approach is focussed on delivering the best outcomes for consumers. A key indicator of this is the prices people pay and the value they get from services. This section focusses on retail prices and the work we are doing in this area.

3.1 Pricing in the communications market

On the whole, we found that the UK telecoms market continues to deliver choice and value for consumers,¹³ with most people finding services to be affordable.¹⁴ The average household spend on communications services has fallen in real terms (i.e. adjusted for inflation).

At the same time, many also enjoy better services such as superfast fixed broadband and 4G mobile. In general, consumers are finding there is considerable choice in the market, and that they can get good deals by shopping around. This includes the convenience and potential savings of buying a bundle of services from a single provider.

However, some pricing trends give us cause for concern and need further investigation. Specifically:

- **Line rental prices have been steadily increasing**, as the focus of competition between fixed providers has shifted to broadband, and away from line rental. This particularly impacts the 10% of UK households who have a fixed voice landline but no fixed broadband service.
- **Promotional discounting** is on the increase. While this may be positive for some consumers, a growing gap between promotional prices and standard 'list' prices means that consumers who are not engaged with the market may find themselves paying more.
- **Increasingly complex pricing** may confuse consumers and lead to poor purchasing decisions or consumers being put off engaging with the market. Bundling, discounting, time-limited offers and an increasing number of different packages may be making it more difficult for consumers to compare services and identify the best deals.

We look at each of these trends below.

¹³ See section 2 of the CER 2015 Annex.

¹⁴ http://stakeholders.ofcom.org.uk/binaries/research/statistics/2015dec/affordability_omnibus_2015.pdf

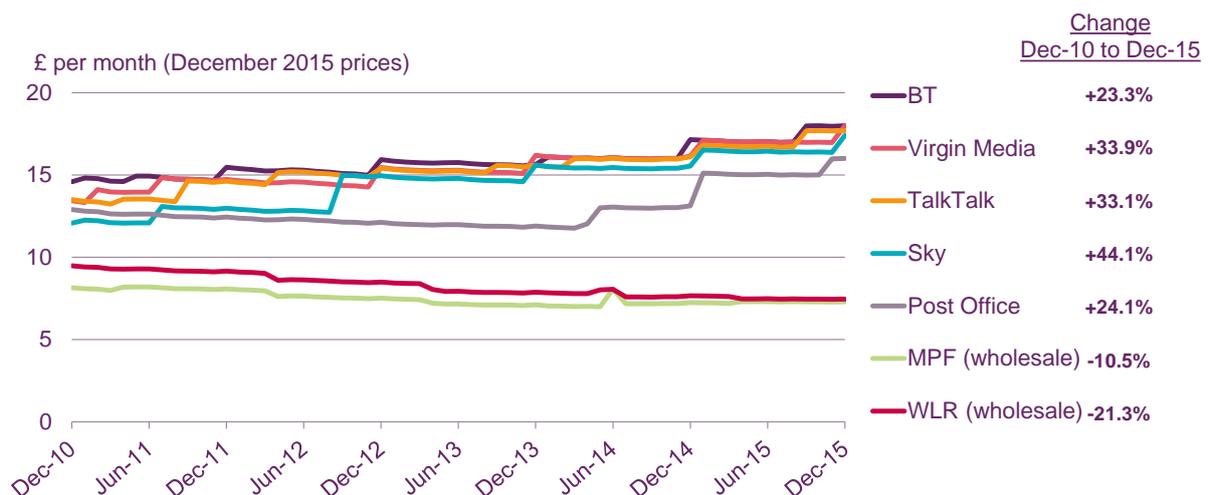
Line rental prices

All of the UK's largest residential providers have been steadily increasing line rental prices, and the gap between their pricing has narrowed (see Figure 1). A number of market factors have contributed to this upward trend, including falling fixed voice use (call volumes fell by 37% between 2009 and 2014), and a shift from usage-based to access-based pricing (i.e. as consumers purchase call bundles which include unlimited calls, rather than paying on a per-call basis). There have also been increases in charges for calls outside of bundled allowances.

Around 10% of UK households have a fixed voice service but no fixed broadband, and so do not benefit from the competition for broadband customers. These voice-only customers also have fewer options from switching. The majority of voice-only customers are with BT, with TalkTalk no longer offering a standalone voice service and Virgin Media and Sky offering but not actively promoting theirs. There has also been less competitive activity from the smaller players for voice-only business.

One reason is that fixed voice-only customers tend to show little active interest in the market. Our research in 2015 found that almost three quarters of stand-alone fixed voice customers (71%) had never switched provider, compared to around half (51%) of all landline users.

Figure 1: UK residential line rental prices (real prices, i.e. adjusted for inflation)



Source: Ofcom / Pure Pricing UK Broadband Updates

Note: Adjusted for CPI; excludes line rental saver pre-payment tariffs

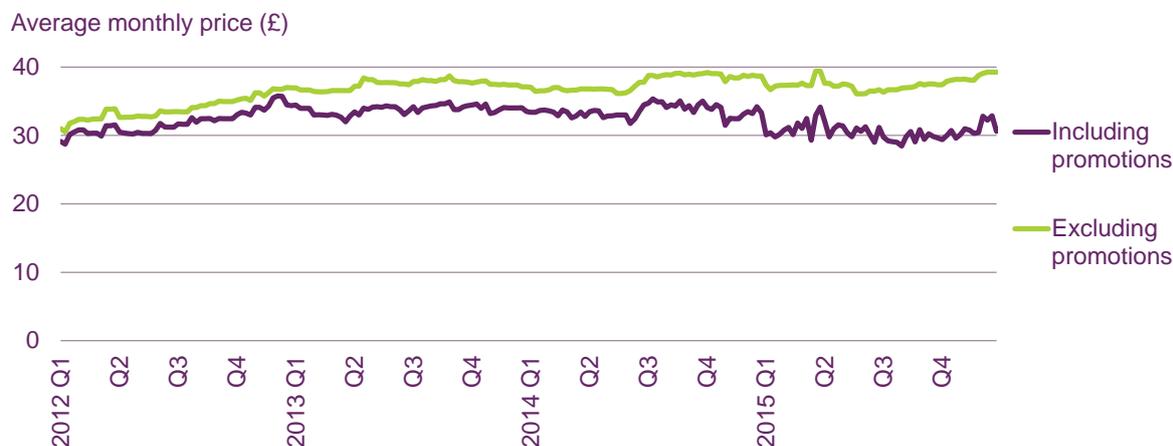
Promotional pricing

There has been a clear recent trend in the increasing level and frequency of discounted broadband packages, e.g. 'free' broadband for the first year (but with line rental still chargeable). Those consumers who are less engaged in seeking out offers or do not wish to switch may be harmed if promotional discounts for new customers are accompanied by rising standard or 'list' prices.

Figure 2 shows average standard tariff prices available for 'dual-play' fixed broadband and voice services, and average 'discounted' prices. It indicates a growing gap since 2013: while list prices have increased, discounted prices have been steadier. By the end of 2015, discounted tariffs offered, on average, a saving of over 20% compared to standard list prices.

This indicates a growing gap in prices paid by engaged and unengaged consumers. This may be a particular problem for older consumers; our research shows that the majority do not engage with the market and, as a result, are more likely to pay higher prices.

Figure 2: Average cost of a dual-play fixed broadband and landline bundle, including and excluding promotional discounts



Source: Simplify Digital

Note: The average monthly cost is calculated across each service's minimum contractual term; prices are nominal, i.e. not adjusted for inflation.

Complex pricing

Choosing the right services can be difficult for consumers. Multiple bundling, discounting, time-limited offers and an increasing number of packages all add to the complexity of the market, and not everyone is willing or able to spend time looking for the best deal.

We recently published consumer research that showed how complex pricing was confusing many broadband consumers.¹⁵ Following these findings, in January 2016 the Advertising Standards Authority (ASA) announced proposals to make the advertising of line rental and broadband prices clearer.

Vulnerable consumers

We are concerned that the greatest impacts of these trends are felt by people who depend on a fixed phone, but are least able to afford price increases. 'Voice-only' use is most prevalent among older consumers (59% are aged 75+), and among DE households on the socio-economic scale – nearly half (47%) of voice-only homes fall into this category.

Older consumers are more likely to be 'inactive' in terms of their interest in the market and are not to keep up to date with it: 45% of over-75s are inactive and just 5% are 'engaged'. This compares to 35% inactive and 14% engaged across all UK adults.

BT Basic is a tariff offered under the universal service obligation (USO), which requires that basic telephony services are available at an affordable price to consumers who meet eligibility criteria. It offers line rental at a heavily discounted rate (£5.10 a month, or £9.95

¹⁵ https://www.asa.org.uk/News-resources/Media-Centre/2016/~/_media/Files/ASA/Reports/Ofcom%20Fixed%20BB%20Advertising%20of%20prices_Futuresight_Final%20Report_FINAL.ashx

including a basic broadband service). The line rental price for BT Basic has been held at £5.10 since January 2014, and has only had modest inflation-related increases since its launch at £4.50 a month in 2008.

Market consolidation

In mobile markets, the evidence suggests that, in general, competition is delivering choice and value for consumers. Our assessment of mobile tariffs found a small (2%) increase in mobile prices between July 2014 and 2015, as higher prices for voice offset falling prices for data. Mobile prices fell steeply between 2012 and 2014 and UK prices continue to compare favourably with other European countries. However, these positive outcomes may be threatened if there is a significant reduction in competition in the market, due to consolidation.

Ensuring consumers get value is a priority for Ofcom

In our *Proposed Annual Plan 2016/17*,¹⁶ we highlight that a priority work area will be to monitor price increases, provide advice and information on pricing, and make sure all consumers are equipped to find value from their communications providers (CPs).

In order to deliver this goal we will:

- collect additional information from UK operators on the actual prices paid by consumers, so we can better track the trends in the market and how they impact particular segments;
- investigate how to make pricing information clearer and easier to compare, and assess the role of intermediaries such as price comparison services;
- see how we can enable consumers to switch more easily by lowering switching barriers;
- examine whether specific protection for standalone landline consumers (or a subset of vulnerable consumers) is merited and pursue options to address issues identified; and
- use our current reviews of voice and broadband markets to make sure that there is effective competition in the supply of fixed telecoms services.

¹⁶ http://stakeholders.ofcom.org.uk/consultations/annual_plan_2016-17/

Section 4

Improving the quality of communications services

As people increasingly rely on communications services to help them in their work and lives, so the quality of those services becomes ever-more important.

Our monitoring shows that, for most consumers in most areas, performance against critical criteria such as data speeds and coverage has steadily got better. However, the growing importance of communications services means that availability and quality need to improve further. This is a key focus for Ofcom.

4.1 We publish information on fixed and mobile coverage and performance to empower consumers when making decisions

In 2015 we continued to provide consumers with accurate, real-world information on quality issues, as well as new tools such as interactive coverage maps.

This means that they can access the key data they need before making a purchasing decision, and/or see if their needs might be better met by another provider.

Our research into broadband and mobile performance covered a variety of aspects.

- Our research in February 2015¹⁷ found that residential fixed broadband speeds had increased by an average of 4.1Mbit/s (+22%) from May to November 2014. The next report will cover the period up to November 2015, and will be published in March 2016.
- With the help of a large panel of users we examined how internet users' quality of experience can be affected by a range of factors. These included geographic location, broadband access speed and the applications they were using. The results of this work were published in our *Connected Nations Report*¹⁸ and will help us to evaluate fixed broadband performance in the future.
- In April, we published our second report on the performance of 3G and 4G networks, based on measurements we made in five UK cities.¹⁹ The report highlighted that, on average, download speeds on 4G were more than twice as fast as 3G, and 4G upload speeds were almost ten times faster.
- In August, we published interactive coverage maps that allow consumers to compare the predicted coverage of each of the mobile networks' voice and data services, wherever users are in the UK.²⁰ For the first time, consumers can easily compare the

¹⁷ <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/broadband-speeds/broadband-speeds-november2014/>

¹⁸ <http://stakeholders.ofcom.org.uk/market-data-research/market-data/infrastructure/connected-nations-2015/>

¹⁹ http://stakeholders.ofcom.org.uk/binaries/research/broadband-research/april15/Ofcom_MBB_Performance_Report_April_2015.pdf

²⁰ <http://www.ofcom.org.uk/mobile-coverage>

coverage predictions of each provider for areas that are important to them, such as at home or at work. Importantly, they can also provide feedback to us on the accuracy of the predictions. Their input, coupled with our ongoing technical research on the ground, will help us to enhance the accuracy and usability of these maps.

- We researched the quality of mobile-to-mobile voice calls experienced by consumers, conducting fieldwork in five cities across the UK. We intend to publish the results in our mobile broadband and voice performance report in March 2016.

4.2 Quality of service from providers and complaints handling procedures

By giving an accurate picture of the quality offered by the main providers, we give them an incentive to improve their performance and enhance their reputations in the eyes of customers. The information we publish includes data on complaints and providers' quality of customer service in addressing them.

If a provider's performance is substandard, it is also important that consumers know what action they can take, whether through exiting their contract or seeking other forms of redress.

Fair, open and effective processes for complaints handling protect and empower consumers. All CPs are required to have a code of practice that complies with standards set by us – and, if all else has failed, to provide access to an Alternative Dispute Resolution (ADR) scheme that we have approved.²¹ In the case of regulated postal operators (RPOs), they must have complaints procedures that meet legal requirements,²² and they must also be a member of an Ofcom-approved ADR service.

ADR schemes²³ enable consumers to have an unresolved complaint reviewed and resolved by an independent third party. As the competent authority for the UK telecommunications and postal sectors,²⁴ Ofcom has certified the Communications and Internet Services Adjudication Scheme (CISAS), the Postal Redress Service (POSTRS) and Ombudsman Services as ADR bodies under the ADR regulations.

In 2015, we took various steps to highlight and improve the quality of service offered by providers.

- We published reports detailing complaints data, by provider,²⁵ gathered by Ofcom's Consumer Contact Team. We also published data in our *Telecoms Complaints Bulletins*²⁶ to illustrate the levels and types of complaints we received.²⁷ We believe

²¹ In accordance with General Condition 14.4

²² Consumer Protection Condition 3.3 - a regulatory condition imposed in accordance with section 51 of, and paragraph 3 of Schedule 6 of, the Postal Services Act 2011.

²³ There are currently two Ofcom approved schemes for communications - Ombudsman Services and CISAS. There is currently one Ofcom approved scheme for postal services - POSTRS.

²⁴ This includes electronic communications services, postal services, premium rate services, Pay TV and VOD services, and equipment supplied with communications contracts such as broadband routers and mobile phone handsets. Please refer to 'The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations'

<https://www.gov.uk/government/publications/alternative-dispute-resolution-for-consumers/alternative-dispute-resolution-for-consumers>

²⁵ <http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/complaints/?a=0>.

²⁶ <http://stakeholders.ofcom.org.uk/enforcement/telecoms-complaints-bulletin/>

that publishing our complaints data helps consumers in comparing providers. It is also useful to intermediaries such as consumer groups, journalists and price comparison sites aiming to advise consumers.

- In January 2016²⁸ we published our research into the quality of customer service from providers. This research enables us to monitor consumers' experiences, to understand whether it varies according to the type of issue being dealt with, and to evaluate changes over time, by market and provider.
- We took action to extend the right of residential consumers and SMEs to exit their contract, when the broadband speed they receive is slower than the minimum they were guaranteed when they purchased the service.
- We acted to ensure that the main mobile and fixed line providers comply with the current (and recently updated) Consumer Rights Act 2015.²⁹ We also published two new advice guides that set out how consumers can get issues resolved and how to seek appropriate redress.³⁰
- In postal services, we reviewed the effectiveness of the current arrangements for complaint handling and ADR.

In 2016 we are conducting a policy review of ADR in telecommunications.

Telecoms complaint handling – enforcement action

Providers must address complaints from their customers by complying with our rules. Where they don't, we continue to take action under our monitoring and enforcement programme.³¹ Following an investigation, we imposed a penalty of £1,000,000³² on EE in July 2015.

We also opened an investigation into Vodafone in June 2015³³ which is continuing, and in September announced an action plan to improve how CPs signpost ADR to their customers.

Openreach's quality of service

In 2014 we introduced new minimum quality of service standards on Openreach, BT Group's local access network business, which cover the provision and repair of telephone and broadband lines. We regard these minimum standards as a backstop and generally expect Openreach to out-perform them.

²⁷ Ofcom does not publish CCT data for complaints about postal services. However, all regulated postal operators, including Royal Mail, are required to publish annual complaints data. Additionally, Royal Mail is required to publish quarterly reports showing the amount of compensation paid:

²⁸ <http://www.royalmailgroup.com/customers/quality-service/quality-service-reports>
²⁸ http://stakeholders.ofcom.org.uk/binaries/research/quality-of-customer-service-annual-reports/Quality_of_Customer_Service_report_2015.pdf

²⁹ The Act includes a right for consumers to proper performance or a price reduction where a supplier has failed to provide a service with reasonable care and skill.

³⁰ <http://consumers.ofcom.org.uk/complain/phone-and-broadband-complaints/service-problems/>

³¹ http://stakeholders.ofcom.org.uk/binaries/telecoms/ga/GENERAL_CONDITIONS_22Sept2014.pdf#page=31

³² http://stakeholders.ofcom.org.uk/enforcement/competition-bulletins/closed-cases/all-closed-cases/cw_01120/

³³ http://stakeholders.ofcom.org.uk/enforcement/competition-bulletins/open-cases/all-open-cases/cw_01159/

Openreach publishes quarterly information on its performance against these key performance indicators, with the latest data covering the period from October to December 2015.³⁴ It showed an improved performance since 2014, although there are still areas where we think they can do better.

We are currently reviewing the minimum standards that we apply to Openreach as part of a wholesale local access market review, which is due to conclude in 2017.

Royal Mail's quality of service

Ofcom is also responsible for monitoring and enforcing Royal Mail's quality of service. Royal Mail's targets (set by Ofcom) include a requirement to deliver 93% of First Class mail the next working day across the UK, including 91.5% in 118 of the UK's 121 postcode areas.³⁵ In the 2014/15 reporting year (which ran to the end of March 2015) Royal Mail met the 93% national target and met the 91.5% target in 109 of 118 postcode areas, as well as most of their other quality of service targets. In the first half of 2015/16, Royal Mail had achieved 92.9% against their national First Class target, and were achieving the 91.5% target in 105 out of 118 postcode areas.

During 2014/15 Royal Mail changed the collection time windows of nearly 50,000 low-volume post boxes, to any time after 9am. This allows delivery staff to collect mail as part of their delivery round, reducing costs. Royal Mail will install about 2000 additional post boxes in areas where provision is low. The first new boxes were installed in the latter part of 2015, with the programme continuing into 2016/17.

4.3 Ofcom's SME plan

The UK's 5.4 million small and medium enterprises (SMEs) constitute 99.9% of UK businesses, accounting for 60% of private sector employment and 47% of business revenue.

Clearly, they are critical to the UK economy and rely on high-performing communications services to trade effectively and profitably. Following our assessment of broadband services for SMEs, we published our conclusions and next steps in June 2015.³⁶

Our report found that 85% of SMEs felt their business needs were well catered for by the communications market; that SMEs typically have a wide range of choice in the retail market; and that there has been significant innovation in communications services to SMEs.

However, our assessment also highlighted four issues of concern:

- superfast broadband availability for SMEs is lower than for residential users;
- there is dissatisfaction with certain aspects of the quality of service;
- the retail market is concentrated, with BT being the largest provider in the retail SME market; and
- some SMEs find it difficult to navigate the market.

³⁴ <http://www.homeandwork.openreach.co.uk/Our-responsibilities/Default.aspx#fragment-2>

³⁵ These areas exclude three remote offshore areas where logistics and frequent severe weather can make the target unachievable.

³⁶ <http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/bb-for-smes.pdf>

We are working on these issues. In particular, in 2015 we:

- Worked with industry to create a voluntary code of practice on broadband speeds for business services, published in January 2016.³⁷ This is to make sure business customers can receive transparent and accurate information on the speeds of their standard business broadband service.
- Completed an enforcement programme to improve the information that CPs provide on their websites.
- Expanded and relaunched Ofcom's business portal in September.
- Monitored broadband provision to SMEs through our *Connected Nations Report*.³⁸

³⁷ <http://media.ofcom.org.uk/news/2016/Clarity-for-businesses-baffled-by-broadband-speeds/>

³⁸ <http://stakeholders.ofcom.org.uk/market-data-research/market-data/infrastructure/connected-nations-2015/>

Section 5

More engagement, and easier switching

The degree of benefits that competition delivers to consumers is partly driven by how engaged those consumers are. The more customers search, compare and act, the more providers must compete to attract and keep them.

It's therefore important that consumers:

- know what services, providers and technologies are available to them;
- can compare the different services on price and quality; and
- can switch providers easily and safely.

Ofcom's work on consumer empowerment addresses the issues in each of the three stages of this journey: access, assess and act.

Detail on switching rates and consumer engagement in communications markets can be found in section 3 of the annex.

5.1 Ensuring consumers can assess the market

If consumers are not informed, it can lead to poor buying decisions and anxiety about engaging with the market and switching providers in future.

Ofcom's price accreditation scheme for price comparison websites

Price comparison websites (PCWs) enable consumers to compare services before they choose one. The information these sites carry must be accurate and complete if they are to be valuable and trustworthy tools.

For this reason, Ofcom manages an accreditation scheme; its aim is to assure consumers that the PCWs we certify offer clear, accurate data for comparing fixed-line, mobile, broadband and television services. Under the scheme we audit the accredited schemes to ensure they provide accurate comparisons. During 2015, we audited all existing scheme members and accredited a new member, bringing the number to six.³⁹

In 2016 we will be reviewing the role of price comparison services as part of our broader work on consumer engagement.

Clear information in advertising

Clear information in advertising is important to good consumer outcomes. In Section 3 we explained that the ASA has made proposals for clearer advertising of line rental and broadband deals, which we welcome. As broadband performance becomes more important to people and businesses, we will look at the advertising of broadband speeds in 2016.

³⁹ A list of accredited member can be found on: <http://consumers.ofcom.org.uk/tv-radio/price-comparison/>

5.2 Improving switching processes

It is essential that consumers feel that it is easy and safe to switch providers. If switching is difficult, their ability to choose the most appropriate service is reduced, and competition suffers.

In June 2015, we completed the harmonisation and simplification of the process for switching fixed voice and/or broadband services provided over the Openreach copper network.⁴⁰ A single 'Gaining Provider-led' (GPL) process is now in force, with consumers only needing to contact their new (gaining) provider to request a switch.

In July 2015 we published a consultation on switching mobile services. This summarised our research into consumers' experiences of switching mobile provider, and consulted on two potential reforms to mobile switching:

- simplify the process for obtaining the Porting Authorisation Code; or
- put in place a GPL process.

We will set out our next steps on mobile switching processes in March 2016.

We are also carrying out a review of consumers' experiences of switching triple-play services (fixed voice, broadband and pay TV) between the Openreach copper, Virgin cable and/or Sky satellite networks. We expect to consult on any potential improvements in 2016.

We are also continuing other work which includes:

- addressing possible contractual barriers to switching, including mobile handset device locking and unlocking, and difficulties with cancellation and termination arrangements; and
- identifying how Ofcom can empower consumers to engage in the market, as part of our Strategic Review of Digital Communications.⁴¹

Cancellations and terminations

Ofcom receives a large number of complaints from consumers trying to cancel or exit communications contracts. This suggests that some consumers are finding it difficult to leave their provider, which may result in consumer harm.

In June 2015, Ofcom opened an industry wide monitoring and enforcement programme to assess CPs' cancellation and termination arrangements, and the impact these have on consumers' ability to leave providers.⁴² This work includes an ongoing investigation into Sky's compliance with rules on cancellations and terminations.⁴³

We will provide updates through our Consumer and Competition bulletin.

⁴⁰ Including fibre to the cabinet (FTTC).

⁴¹ <http://stakeholders.ofcom.org.uk/consultations/dcr-discussion/>

⁴² http://stakeholders.ofcom.org.uk/enforcement/competition-bulletins/open-cases/all-open-cases/cw_01158/

⁴³ http://stakeholders.ofcom.org.uk/enforcement/competition-bulletins/open-cases/all-open-cases/cw_01163/

Section 6

Making communications accessible

Communications services should be accessible to all citizens, regardless of their circumstances, so that everyone can use them. However, some people, whether through life circumstances or disability, can have difficulty using these services.

6.1 Participation and vulnerability

We have increased our focus on consumers and vulnerability in recent years. This includes not only looking at the needs of specific groups of people, but also seeing vulnerability as dynamic rather than static. Anyone can find themselves in vulnerable circumstances, for example through illness or unemployment.

We take action to ensure that people receive assistance when they need it. Current work includes making broadcast content more accessible for visually or hearing-impaired consumers and assessing the special information and guidance that providers give to customers with disabilities.

We regulate universal service obligations (USOs), which aim to give everyone in the UK access to a range of basic communication services.⁴⁴ These include social tariffs giving low-income consumers access to reduced costs for a landline and a price cap for second-class mail. In 2014, BT launched BT Basic Broadband, which is available to BT Basic customers and includes a 10GB per month data allowance. By the end of 2015, over 11,000 low-income customers had taken up BT Basic + Broadband, which costs £9.95/month.

There is also a USO to connect to a fixed network on reasonable request, which mainly benefits those living in rural areas. Following the announcement in 2015 that there will be a broadband USO, we are working with Government to inform its proposals, which are due for publication in 2016.

Our media literacy work aims to enhance citizens' skills in using communications productively and safely. This is particularly directed at groups who may be less familiar with certain digital services.

During 2015 we worked with the UK Regulators Network (UKRN) to improve awareness of services available to vulnerable customers in regulated sectors. UKRN is due to publish a consumer information leaflet on this area early in 2016.

6.2 Making telecoms accessible

The Next Generation Text Relay service has been well received by users

Next Generation Text Relay (NGTR) was launched in October 2014. It allows deaf and speech-impaired users to make and receive calls using devices such as smartphones, tablets and PCs, using the Next Generation Text (NGT) app, as well as via traditional textphones. Before the NGT app was introduced, take-up of text relay was falling but this decline has now halted. Although the majority of relay calls are not made with the NGT app,

⁴⁴ Designated universal service providers are BT and KCOM (for the Hull Area) for fixed line telephony and Royal Mail in post.

the number of NGT app calls has seen a large increase since its introduction, from around 2,000 NGT app calls in October 2014 to around 10,000 calls in October 2015.⁴⁵

Ofcom commissioned research with users before and after the launch of NGT.⁴⁶ Overall, user satisfaction with text relay remains high. This is consistent with BT's annual report of the service which shows an average of one complaint per 6,250 calls.

In response to consumer feedback, we have published consumer advice on NGT, and BT is preparing British Sign Language videos to help users.

General Condition 15 enforcement action: special measures for customers with disabilities

In March 2015 we fined BT £800,000 for failing to provide NGTR between April and September 2014. BT missed the 1 April 2014 deadline due to technical problems with the sound quality of emergency calls, and the launch of NGTR was delayed to 24 September 2014.

BT took a number of steps to remedy the effects of this contravention, including providing 500 connected devices to be distributed to users of the service, via charities for hearing-impaired people.

On the evidence of an Ofcom mystery shopping exercise,⁴⁷ it appears that customers may not consistently get the information they need about the services that CPs provide to users with disabilities, whether in-store, online or over the phone. In August 2015 we opened a monitoring and enforcement programme to assess CPs practices for publishing these services. We will then decide whether further action is needed.

6.3 Making content accessible

We continue to work towards making TV more accessible to people with hearing and/or visual impairments. All of the most popular channels in the UK (around 80) now subtitle more than 80% of their programming, and also audio-describe between 10% and 25% of their content.

In May 2015, Ofcom decided that broadcasters should also provide more signed programming, or contribute to third party signed content.⁴⁸ We also proposed that non-domestic channels that are licensed by Ofcom and broadcast in Europe should follow suit.⁴⁹

We also focused on electronic programme guides, since they are an important aid to help people navigate the multiple channels now available. In July 2015, Ofcom proposed in a consultation that future versions of these guides should include accessibility features that

⁴⁵ BT data.

⁴⁶ http://stakeholders.ofcom.org.uk/binaries/research/usability-research/Ofcom_Text_Relay_Services_research.pdf

⁴⁷ http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/mystery-shopping-disabled-consumers/Disability_charts_2015.pdf

⁴⁸ Ofcom, *Changes to signing arrangements for relevant domestic TV channels*, 13 May 2015 (<http://stakeholders.ofcom.org.uk/consultations/review-signing-arrangements-tv/statement/>)

⁴⁹ Ofcom, *Non-domestic TV channels: proposals to modify access service obligations*, 14 October 2015 (<http://stakeholders.ofcom.org.uk/consultations/nom-dom/>)

Section 7

Consumer protection

Our Consumer Protection work covers a broad range of activity. We investigate and take enforcement action, including penalties, across a range of issues where companies break the rules. We also conduct monitoring and enforcement programmes where we believe the industry is causing specific consumer harm. This year we have opened a number of monitoring and enforcement programmes looking at issues such as billing and the provision of information to small businesses. We have also continued to take action against fixed line mis-selling, where complaints remain low, and we concluded one investigation in this area resulting in a penalty of £200,000 issued to Universal Utilities Ltd (T/A Unicom). We also continued to monitor and ensure providers complied with our mid-contract price increase guidance. Sections 4.2, 5.2 and 6.2 include details of other work during 2015 on complaints-handling, cancellations and terminations, and ensuring consumers with disabilities are provided with accurate information.

One further priority area continues to be our focus on tackling nuisance calls which we set out in summary below.

Tackling nuisance calls is an Ofcom priority. In our 2015 landline diary research (where a panel of recipients record nuisance calls in real time over a 4 week period), 86% of participants reported receiving a nuisance call in the 4 week period covered by the research. On average, participants received 9.7 calls across the 4 weeks but 1 in 10 participants received 21+ calls. These calls can cause annoyance, inconvenience and, in some cases, distress or financial harm to consumers.

Ofcom tackles silent calls (where a consumer answers but hears nothing) and abandoned calls (calls terminated when the called party answers, hearing only a recorded message on the other end of the line) using our 'persistent misuse' powers. We also administer the Telephone Preference Service (TPS), which enables consumers to opt out of receiving marketing calls from phone numbers they register. In 2015, to date, we have issued three Notifications for making silent and abandoned calls and fined two companies (Sambora Communications (£8000) and XS Remarketing T/A Debt Masters Direct (£150,000)).

The Information Commissioner's Office (ICO) tackles unlawful live telesales calls (received despite customers expressly saying they do not wish to be contacted), automated marketing calls made without consent and spam texts. We therefore also have a joint action plan with the ICO. The current priority areas for joint work are continued enforcement action, working with CPs to help prevent nuisance calls, sharing intelligence and raising the profile of the TPS among consumers. In particular, in 2015 we formed a working group with industry. This group is working on measures to help prevent nuisance calls at network level, for example, CPs will monitor call traffic on their networks and take steps to stop these calls where feasible.

In December 2015, we published a consultation on proposals to review our persistent misuse policy with a view to making the rules clearer for industry and making enforcement easier.⁵⁷ This closes on 24 February 2016. We will consider responses before issuing a final statement.

⁵⁷ http://stakeholders.ofcom.org.uk/binaries/consultations/review-of-how-we-use-persistent-misuse-powers/summary/Persistent_misuse.pdf