Telecoms and Pay TV Complaints

Q2 (April to June) 2012

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Section 1

Executive summary

1.1 Ofcom's primary duty is to further the interests of citizens and consumers, where appropriate by promoting competition. In doing so we must have regard to the interests of consumers in terms of price, quality of service and value for money. Consumer information plays a critical role in promoting effective competition across these dimensions and the absence of key information can lead to poor purchasing decisions and inhibit switching.

1.2 On average, Ofcom receives just under 300 telecoms complaints a day from consumers.[1] Such complaints are likely to be made where a consumer has been unable to resolve an issue with their provider to their satisfaction. We keep a record of these complaints by service and by provider, and believe that such information is useful for consumers; for example, this data may be relevant to those considering a new service or provider. We note that provider-specific information is also available to guide consumers in areas such as financial services and energy. However, as one of the few regulators that collects its own complaints data, we believe we are the only regulator to publish data of this nature.

1.3 This is the sixth edition in a series of quarterly complaints publications.[2] There are three changes that we have made to the current report:

1.4 We now report separately on 'pay-monthly[3]' mobile complaints. This does impact on the relative performance of mobile providers in the report. We consider this is a more appropriate method of presenting complaints data because we receive a significantly larger number of complaints from pay monthly than pay as you go (PAYG) customers, and providers have different proportions of each type of customer. Showing complaints from pay-monthly customers as a proportion of their pay-monthly subscriber base enables more direct comparison between the data for each provider. In this report, we show the overall complaints numbers for mobile providers (pay-monthly and PAYG) alongside the new pay-monthly only data, and we are consulting on a proposal to remove the overall complaints data from future reports.

1.5 We have added an 'industry average' column or line to the existing complaints charts[4]. We consider that this enhancement has the potential to increase incentives on providers to improve their performance relative to the industry average level.

1.6 We have introduced a new chart showing the relative volume of complaints that we receive from consumers across different services.

1.7 There are a number of important limitations that apply to the complaints information we publish, in particular:

[1] Ofcom received 102,150 complaints in the year 2011/12. Page 115: 2011/12 Annual Report for the period 1 April 2011 to 31 March 2012 http://www.ofcom.org.uk/files/2012/07/OfcomAnnualReport11-12.pdf

[2] The first five editions can be found here: http://stakeholders.ofcom.org.uk/market-data-research/telecoms-research/complaints/?a=0

[3] Customers who have a contract with their mobile provider

[4] This figure is based on the providers included in the report, rather than the smaller providers that we cannot report on.

- The data only covers complaints that consumers have chosen to report to Ofcom, and does not represent complaints consumers may have made directly to their providers. As such it will only provide a partial picture of complaints relating to any provider.

- The complaints data reflects the views of consumers as reported to Ofcom. Ofcom has sought to ensure that its data is sound but has not checked the veracity of individual complaints.

- Contact with Ofcom may reflect the relative quality of complaints handling services, as well as the quality of service received. Given this, companies with poor complaints handling processes may feature more prominently than those with good complaints handling processes.

- Ofcom may see spikes in call volumes from customers of certain providers when we publicise certain types of enforcement action, e.g. investigations, fines etc.

1.8 We previously published data for the period October 2010 to March 2012. We have now added data for the period April to June 2012. The data published here for telecoms complaints cover the full period from October 2010 to June 2012. For Pay TV complaints, this report covers a nine month period from October 2011. The next publication will include data for the period July to September 2012, and is expected to be published in December 2012.

1.9 The complaints data in this report has been displayed both by month and by quarter. We believe there is clear benefit to consumers in publishing complaints using both of these formats. Monthly reporting provides an indication of how providers are performing over a short time period; however, this data will be sensitive to particular issues arising within that time period, e.g. price or contract changes. This means the data tends to be more volatile as an individual problem or changes in commercial practice by the provider can lead to a significant increase in complaints across what is a relatively short period of time. The quarterly data is likely to provide a more balanced representation of a provider's overall performance as the volatility will be smoothed over a longer time period.

1.10 Consumers should therefore consider both sets of data carefully when comparing providers' performance. This publication includes complaints data for providers with a market share of 4% or above.[5] Given the variation in size of provider, we are publishing complaints as a proportion of subscribers to put the complaint numbers into the correct context[6], and help ensure the data is meaningful for consumers. The main findings for the current reporting period (Q2 2012), are as follows:

- <u>Overall Complaints:</u> fixed line services generate the highest number of complaints out of the services featured in this report. Ofcom continues to receive fewest complaints about 'PAYG services' compared to the other services.

- <u>Fixed line telephony</u>: The providers covered here are: BT Retail, Sky, TalkTalk Group and Virgin Media. TalkTalk Group still generates the highest number of complaints which is significantly above the industry average. These complaints continue to focus on billing and customer service issues. Ofcom continues to

[5] As well as having at least a 4% market share, providers must also generate at least 30 complaints per month.

[6] Complaints are displayed per 1000 customers. This enables the providers to be compared on a like-for-like basis.

receive fewer complaints about Virgin Media than the other three main fixed line providers.

- Fixed broadband: The providers covered here are BT Retail, Sky, TalkTalk Group, Virgin Media and Orange Home. Ofcom received fewer complaints about Sky than the other broadband providers. TalkTalk Group continues to generate most complaints, focussing on issues around line faults and other service issues. Talk Talk and BT generated above industry average complaint levels this quarter.

- Pay-monthly mobile telephony (excluding mobile broadband datacards and dongles): Removed whilst data checks are conducted.

- Pay-as-you-go mobile telephony. None of the mobile providers featured in this report has generated an average of 30 complaints or more a month during this quarter.

- Pay TV services: The providers covered here are Sky, BT Vision, and Virgin Media. Ofcom received fewest complaints over the period in question about Sky compared with the other two providers, while it received the most complaints about BT Vision. Complaints about BT Vision were partly driven by issues related to their sales processes and problems with billing. BT Vision and Virgin generated above industry average complaint levels.

Section 2

Introduction

Background

2.1 Consumers' overall level of satisfaction with communications services is around 90%.[7] Where concerns arise, consumers typically raise their complaint with their provider in the first instance.[8] If the provider is not able to resolve the complaint within eight weeks, the consumer can make an application to an independent Alternative Dispute Resolution (ADR) scheme, which can examine the complaint and reach a judgement on the issue.[9]

2.2 In addition, some consumers choose to contact Ofcom, as the regulator of communications services. On average, we receive around 300 consumer complaints a day. While we do not resolve individual complaints, we offer advice on how best to resolve the issue and use the data to inform policy and enforcement actions and related monitoring activities.

Why publish provider-specific complaints?

2.3 Ofcom has for some time now published telecoms complaints data by key issue in our Telecoms Complaints Bulletins[10] and Consumer Experience reports.[11] These show the monthly complaints that Ofcom receives in areas such as mis-selling, silent calls and broadband speeds.

2.4 In April, September and December of 2011 and in March and June 2012, we published quarterly Ofcom complaints data by provider. In July 2010, and July and November 2011, we also published research on customer service satisfaction on a provider-specific basis.[12]

2.5 The publication of performance data like this is consistent with our statutory commitment to transparency and our obligations as a public authority. Moreover, it is in line with our principal duty to further the interests of citizens and consumers, where appropriate by promoting competition. Consumer information plays a critical role in ensuring that competitive communications markets work for consumers.[13] The absence of key information can lead to poor purchasing decisions. Therefore, if key information is not readily available, or is presented in an overly complex way, there may be a case for Ofcom to intervene in the interests of consumers.

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[7] Source: Ofcom switching tracker, July to August 2011.

[8] This has been found in research, including for example that carried out for the 2008 Consumer Complaints Review, which drew on research carried out in 2006, available at http://stakeholders.ofcom.org.uk/binaries/consultations/alt_dis_res/research.pdf

[9] Ofcom requires all CPs to be a member of an approved ADR scheme. Ofcom recently carried out a Review of Consumer Complaints Procedures. The statement is available at http://stakeholders.ofcom.org.uk/binaries/consultations/complaints_procedures/statement/statement.pdf

[10] Available at http://stakeholders.ofcom.org.uk/enforcement/telecoms-complaints-bulletin/

[11] Available at http://stakeholders.ofcom.org.uk/market-data-research/market-data/consumer-experience-reports/consumer-experience/ .

[12] http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/customer-service.pdf

[13] In line with Section 26 of the Communications Act 2003, Ofcom may arrange for the publication of information and advice for consumers.

2.6 We recognise that there is no single source of information that can give consumers a full picture of the relative performance of different providers. In addition, different service features will matter more for some consumers than for others. Ofcom research suggests that, for many consumers, comparative price and network performance information is of primary importance. In light of this, much of our focus to date has been on improving the information available to consumers in these areas. Examples include publication of broadband speeds research[14] and our scheme for accrediting price comparison sites.[15]

2.7 However, our research has also suggested that at least a fifth of consumers in each market would be likely to use information comparing complaints. Those consumers who are actively considering switching provider are most likely to say they would use such information.[16] In addition, publication of provider-specific complaints data may act as an incentive for providers to improve their performance.[17] Similar information is also available to guide consumers in a number of other sectors, in particular financial services[18] and energy sectors.[19]

2.8 While our complaints data has a number of important limitations, (see paragraph 4.2), we believe that this data, along with other information,[20] can be informative for consumers when seeking to compare providers[21]. We observe that this data may be of interest to intermediaries such as consumer groups, journalists and price comparison sites who look to advise consumers.

2.9 This transparent approach is consistent with the Government's consumer empowerment strategy[22] which argues that publishing complaints data is "a good way of encouraging businesses to improve their performance without the need for heavy-handed legislation, as no company wants to be last in an indicator of performance or customer satisfaction."

Provider-specific complaints data

2.10 This is the sixth report to include Ofcom telecoms complaints data by provider, and the second to include complaints data about Pay TV services. The methodology used here is set out in Section 3.

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[14] Available at http://stakeholders.ofcom.org.uk/market-data-research/other/telecoms-research/broadband-speeds/?a=0
[15] See http://stakeholders.ofcom.org.uk/consultations/ocp/statement/pricescheme/?a=0
[16] According to Ofcom research collected in 2008. See http://stakeholders.ofcom.org.uk/binaries/consultations/qos08/statement/qos.pdf
[17] See the responses of key consumer groups to Ofcom's consultation on complaints handling procedures at http://stakeholders.ofcom.org.uk/consultations/complaints_procedures/?showResponses=true
[18] http://www.fsa.gov.uk/pages/Library/Other_publications/commentary/index.shtml
[19] See http://energyapps.consumerfocus.org.uk/performance/
[20] E.g. price, broadband speed where they live, mobile network coverage.
[21] In the Statement for our Review of Complaints Procedures, we said that publishing complaints data would likely benefit consumers in respect of price, quality and value for money. We noted that there are a number of ways for such information to be made public. See http://stakeholders.ofcom.org.uk/consultations/complaints_procedures/statement/
[22] Better Choices: Better Deals, Consumer Powering Growth, *BIS & the Cabinet Office,* 13 April 2011

Section 3

Methodology

Introduction

3.1 Consumers, both residential and business, can contact Ofcom with complaints or enquiries over the phone, by letter or through one of the dedicated complaint submission forms on our website.[23] All complaints[24] are logged in the same database by Ofcom's Consumer Contact Team (CCT), providing a record of the total complaints that Ofcom has received, as well as details on the services affected and the providers of those services.

3.2 In this section we outline the approach we have taken to publication of our complaints data.

Scope of the data published

3.3 We collect complaints data across a wide range of services : broadcasting, spectrum and telecoms[25]. Total complaints in each of these areas are published in our annual Consumer Experience reports.[26]

3.4 The focus of this publication is on complaints made by residential[27] consumers in relation to fixed line telephony, fixed broadband, mobile telephony and Pay TV.

3.5 Consumers complain to Ofcom about a wide range of issues,[28] so we have had to consider carefully what level of data would be useful and robust enough for publication. In view of the complexity, our current view is that we should only publish complaints data by service rather than by detailed category of complaint for each service.

3.6 The five services we are publishing complaints data for are:

- Fixed line telephony, this includes complaints against companies that offer both line rental and calls as well as those that supply calls only services;
- Fixed Broadband, this includes copper based ADSL services, cable services and super-fast broadband;

[23] See http://consumers.ofcom.org.uk/tell-us/telecoms/
[24] A complaint is an expression of dissatisfaction made by a customer related to the Communications Provider's services, or to the complaint-handling process itself. Where the complaint is made to Ofcom over the phone, the consumer is asked whether their call is about an enquiry or complaint.
[25] We publish complaints about the content of programmes broadcast on television by provider in our Broadcasting Bulletins. Spectrum complaints cannot be reported in more detail as the majority of complaints are about interference and as such are not provider specific.
[26] Ofcom – Consumer Experience Report 2011 http://stakeholders.ofcom.org.uk/binaries/research/consumer-experience/tce-11/policy_evaluation.pdf
[27] Ofcom records business and residential telecoms complaints separately, based on how the individual identifies themselves when reporting the complaint.
[28] We currently record over 159 different categories of telecoms complaints. The system of complaint categorisation was changed at the beginning of April 2012. This change has no impact on the presentation of results in this or previous publications as the results are presented as much higher level (by provider and by sector).

- pay-monthly mobile services; [29] [30]
- PAYG mobile services; and
- Pay TV, this includes complaints relating to access to the service and does not include the content delivered over the Pay TV service. This category includes services provided through cable, satellite, digital terrestrial television or over a dedicated broadband connection.

Complaints about bundled services

3.7 Today, many consumers choose to purchase a bundle of services from one provider (for example, fixed line telephony with a fixed broadband service). Any issues that subsequently arise may affect one or more of those services.

3.8 The approach we have taken when recording complaints received from customers who take a bundle of services from one provider is as follows:

- If the complaint only relates to one of the services in the bundle, the complaint is recorded against that single service only. For example, if a customer has fixed line telephony and fixed broadband as part of a bundle and complains about slow broadband speeds, the complaint would be logged against the broadband service only as it is this aspect of the service that is causing the problem.
- If the complaint equally affects a number of services in a bundle, the complaint is recorded against each affected service for that provider. For example, if a consumer complains about being mis-sold a triple play service, the complaint will be counted as a fixed telephony, fixed broadband and as a Pay TV complaint for that provider.

3.9 This enables us to have a record of all complaints received by provider and by service. We are publishing total complaints by provider for each service, but not across the services in aggregate, and, therefore, the complaints are not double counted.

Complaints against unknown providers

3.10 If a consumer is unexpectedly told by their existing provider that a request has been made to transfer their service to another provider, they may complain to Ofcom without knowing the name of the new provider.[31] In these circumstances, Ofcom refers the case to Openreach to find out recent activity on the line, including applications and transfers. If a request for a transfer has been made by another provider, the complaint is recorded against that other provider. If no request for a transfer has been made, then the complaint is recorded against the existing provider.

[29] Pay monthly and PAYG complaints include complaints about use of data through a mobile handset; but does not include dongles or datacards.
[30] Section removed whilst data checks are conducted.
[31] Their existing provider would not have visibility of the new provider either, they will only be aware that a request has been made to take over the service.

Focus on the largest providers

3.11 Ofcom records complaints received against any provider in the UK. The size of each individual provider varies greatly, as does the number of complaints received. In general, the larger the provider the more complaints received.

3.12 The lower the number of complaints, the greater potential there is for the data to be affected by small fluctuations. This is important when trying to identify and assess trends in the data. In other words, it is less likely that robust and comparable data can be drawn from a small sample size.

3.13 Therefore, to minimise distortion and allow robust statistical analysis, we are only publishing complaints data against those providers which, for the service being reported:

(i) have a market share of 4% or more in the relevant market; <u>and</u>

(ii) regularly generate at least 30 complaints per month.

3.14 This encompasses the providers set out in Table 1 below. Together, these providers account for at least 89% of each market covered.[32]

[32] 92% for fixed lines, 89% for fixed broadband and 95% for mobile telephony

Table 1: Providers included in this publication

Fixed Line Telephony and Fixed Broadband	Sky
	BT Retail[33]
	Orange Home (Fixed Broadband only)
	TalkTalk Group[34]
	Virgin Media
Mobile Telephony (pay monthly and PAYG)[35]	3UK
	O2
	Orange
	T-Mobile
	Virgin Mobile
	Vodafone
Pay TV	BT Vision
	Virgin Media
	Sky

Complaints as a proportion of subscribers

3.15 In general, the more customers a provider has the more complaints are likely to be made. Given the variation in size of provider, we publish complaints as a proportion of the relevant customer base to put complaints numbers into context and to help ensure the data is more meaningful for consumers.

3.16 To do so, we have used the number of connections[36] from each individual provider collected by our Market Intelligence team. We do not collect this data for Pay-TV providers and so, to calculate Pay TV complaints per thousand customers, we use customer data from the providers' own published investor reports. Sky, Virgin Media

[33] Any complaints received against Plusnet have not been included with complaints against BT Retail.
[34] This includes TalkTalk and Tiscali UK.
[35] Section removed whilst data checks are conducted.
[36] Note that it is possible for an individual to have more than one connection.

and BT all publish Pay TV subscription data on a quarterly basis (as part of their updates to investors)

3.17 We understand from providers that quarterly connection data is more robust than monthly data,[37] and therefore only use quarterly data to normalise the complaints data. The period covered by this report for telecoms complaints is October 2010 – June 2012. We are now able to include a period of 18 months or six quarters.[38] The period covered by this report for Pay TV complaints is October 2011 to June 2012[39]. Ofcom is aware that different providers may take different approaches to recording connection numbers, particularly if they offer PAYG mobile services, (this is because some providers may keep inactive customers on their books for longer than others). To help ensure a standard approach is taken, Ofcom's Market Intelligence team specifies the following definition of active subscriptions: *those with any registered activity within the last 90 days*.[40]

3.18 One mobile provider was unable to provide its total number of active subscribers split into business and residential consumers. For this provider we have estimated the number of residential active consumer subscribers based on its connection data and historical figures.

3.19 Fixed line telephony can be provided as a combined calls and line rental service or as a calls only service. As both services can generate fixed line complaints, Ofcom considers it is appropriate for them both to be included in the customer base used here.

PAYG and Pay monthly mobile complaints[41]

3.20 All previous reports have included complaints made by consumers about mobile voice services. This included single charts that represented complaints made about PAYG and pay monthly services together. However, we have examined if this is the most appropriate way of presenting complaints about mobile services. We consider that a better approach to presenting the comparative scale of complaints made by consumers across mobile operators would be to split mobile complaints so that PAYG and pay monthly complaints are presented separately.

Why propose to split PAYG and pay monthly complaints?

3.21 Our analysis of existing mobile complaints data suggests that there is a clear difference in the propensity of consumers of pay monthly mobile services to complain to Ofcom compared to PAYG consumers. In Q2 2012, Ofcom received a significantly higher ratio of pay monthly complaints per 1,000 pay monthly customers compared to PAYG complaints per 1,000 PAYG customers. There are a number of reasons why this may be, e.g. PAYG (no contract) customers will not have the same billing or customer service issues, and it is easier for them to switch away to another provider if they are dissatisfied.

[37] Particularly where the quarterly data is reported externally.
[38] The first publication included two quarters
[39] As this is the first time we have published Pay TV data , we are limiting to only 6 months worth of data - this is consistent with the first time we published data related to the other three services.
[40] This definition was adopted following discussions held with industry when Ofcom began collecting the data.
[41] Pay monthly figures have been removed whilst data checks are conducted.

3.22 In addition, the ratios between PAYG and pay monthly subscribers across the mobile operators differ significantly. The proportion of providers' customers on pay monthly contracts can vary from around 40% to almost almost 75% of its customer base.

3.23 Both of these factors above have a direct impact on an operator's relative position in the data we publish. As the level of complaints we publish is calculated by dividing the number of complaints per 1000 subscribers, those operators with a higher proportion of pay monthly subscribers are, by default, likely to show a higher number of complaints than operators with a relatively lower percentage of pay monthly subscribers. If there was an equal propensity to complain across PAYG and pay monthly customers or if the ratios of PAYG and 'pay monthly' subscribers across mobile operators were the same, then there would not be a direct impact of presenting complaints jointly across pay monthly and PAYG.

3.24 We therefore consider that reporting separately on PAYG and pay monthly complaints is a more precise way of presenting the relative performance of mobile operators.

3.25 Whilst we can publish charts on pay monthly mobile complaints, we are unlikely to be able to publish PAYG mobile complaints. As stated above at 3.13 we do not publish data about specific providers and services unless we receive 30 complaints or more per month. All mobile providers currently receive less than this number of complaints per month in relation to PAYG services. However, we propose to continue to assess the level of PAYG complaints and consider publishing data if there are increases in PAYG complaint levels. For PAYG complaints we intend to report on complaint levels more generally and will publish charts on aggregate (not specific provider) levels of these complaints.

3.26 We are confident that most consumers can easily discern that differences exist between PAYG and pay monthly services, and hence the separation of pay-monthly and PAYG data will be useful to them. The services are marketed differently and consumers will generally have a very different relationship with their provider (no contract, billing, and long term commitment). We would expect that most consumers would understand this distinction if it was described in the context of this report and that they would find it more helpful to be able to compare separately across PAYG and pay monthly mobile providers.

3.27 Whilst we include all mobile complaints in this publication,[42] we are proposing that, in future, mobile complaints are not published in the form of single chart that aggregate PAYG and pay monthly data. As discussed above, we consider that the splitting of PAYG and pay monthly complaints is a more accurate way of presenting relative levels of performance by mobile operators and including charts on overall mobile complaints does not appear necessary.

3.28 We invite stakeholders to submit any comments on this proposal within 1 calendar month of publishing this report (refer to Annex 1 for further guidance). We will take responses into account in reaching a final decision on the issue for future publications.

Relative scale of complaints by service

3.29 In previous reports we have explained that we receive varying volumes of complaints about different services. Fixed voice and broadband complaint volumes are higher

[42] Pay monthly figures have been removed whilst data checks are conducted.

than pay monthly mobile services, and actual volumes of Pay TV and PAYG complaints are very small in relation to the other services. In order to make these differences clearer, we have introduced a chart with 'relative' complaints volumes to illustrate how they can differ across each sector. This could go some way setting a clearer picture of where the largest areas of concern lie and helps Ofcom set better expectations on where our policy priorities should be focussed. The relative volumes are based only on those complaints included in the scope of the publication. So they only include those complaints that are generated by the CPs included.

The industry average line

3.30 In order to provide an additional incentive for providers to improve performance we have decided to introduce an industry average line[43]showing the average of the number of complaints in the published data for each service . We consider that this supplement to the existing charts has the potential to provide additional encouragement to providers to improve their performance in relation to the industry average line.

Sensitivity Review

3.31 Prior to the publication of our initial report, Ofcom reviewed its complaints data to identify issues that might be unique to one or a limited number of providers but which are outside the control of those providers. The presence of such issues may distort the complaints data by introducing biases against individual providers or different groups of providers. We found that although these issues do exist their impact is unlikely to result in a material bias against particular providers in the context of the data we are publishing.[44] Also, the time sequence of results over time will tend to smooth the effect of any such issues.

[43] We are using a 'weighted average' that adjusts for comparative size of operator. The scope of the 'industry' is limited to those providers featured in this report rather than including smaller providers who have lower than 4% market share.

[44] Our approach for assessing the potential impact of these issues is outlined at Annex 1 of the April report: http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/complaints/oct-2010-feb-2011.pdf

Section 4

Telecoms and Pay TV Complaints

Introduction

4.1 This section sets out the complaints data from October 2011 to June 2012. We believe that used in conjunction with other available information this provides helpful and meaningful information for consumers. It also gives an incentive for providers to improve their performance.

4.2 As mentioned above, it is worth bearing the following limitations in mind when considering this data:

- The data only covers complaints that consumers have chosen to report to Ofcom and, therefore, it does not represent total complaints consumers have made to their providers. As such it can only provide a partial picture of complaints relating to any provider.

- The complaints data reflects the views of consumers. Ofcom has sought to ensure that its data is sound, i.e. that the complaint accurately reflects the complaint that has been made, but we do not check the veracity of individual complaints.

- Contact with Ofcom may reflect the relative quality of complaints handling services, as well as the quality of service received. Given this, companies with poor complaints handling processes may feature more prominently than those with good complaints handling processes.

- Ofcom may see spikes in call volumes from customers of certain providers when we publicise certain types of enforcement action, e.g. investigations, fines etc.

4.3 The data published here is presented on a quarterly basis (Q4 2010;Q1-Q4 2011 and Q1-Q2 2012) and also monthly (October 2010 to June 2012)[45]. The next publication including data for Q3 2012 (July to September) will be published in December 2012.

4.4 This publication only includes charts for complaints data from providers who: (i) have a market share of 4% or more in the relevant market; and (ii) consistently generate at least 30 complaints per month. This is the minimum figure required that will support comparison with the larger providers who can generate a large number of complaints.

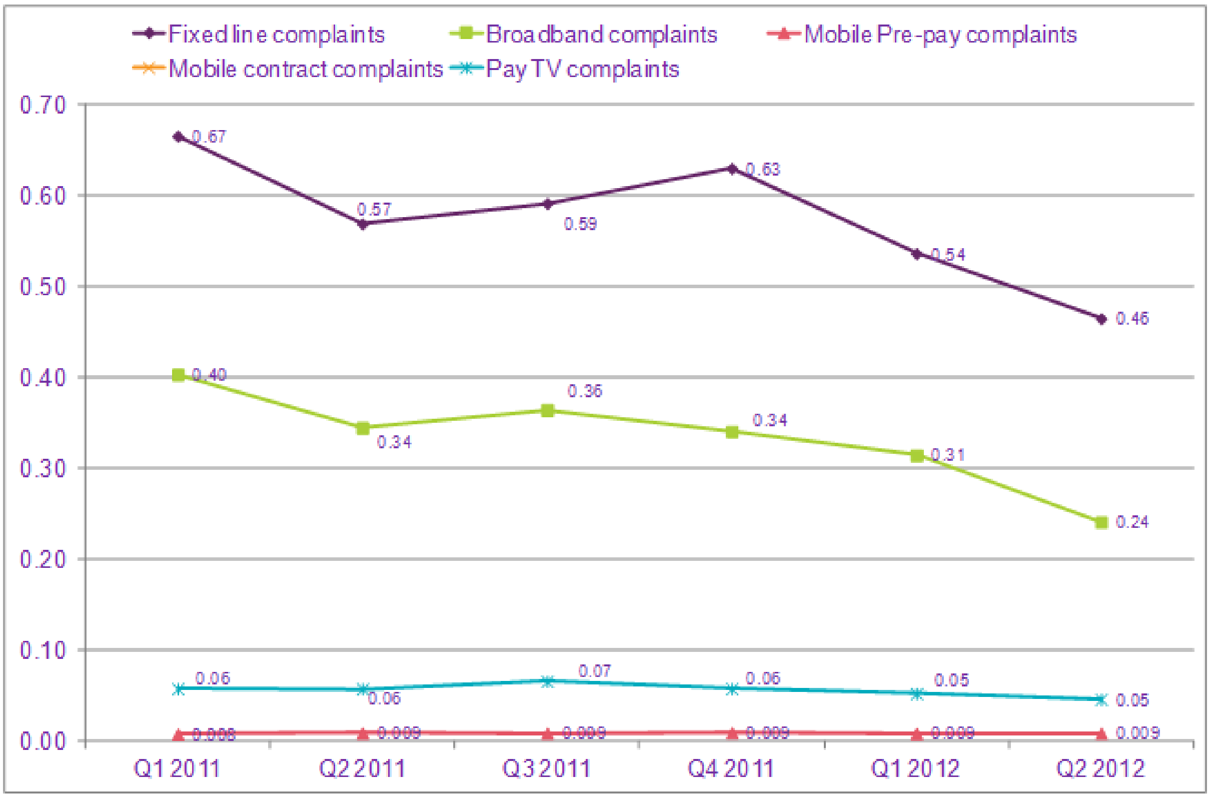
Relative complaints by service sector

4.5 The following figures show the residential consumer complaints that Ofcom received across fixed line, broadband, PAYG mobile, pay monthly mobile[46] and Pay TV services between October 2010 and June 2012 inclusive. The information is presented per 1,000 customers/connections for the period covered, by month and by quarter.

[45] As mentioned earlier, Pay TV is restricted to 2 quarters, Q4 2011 and Q1 2012.
[46] Figures removed whilst data checks are conducted.

4.6 Figures 1 shows that fixed line services generate the highest number of complaints. Ofcom continues to receive fewest complaints about ‘PAYG services’ and Pay TV compared to the other services included in this report.

Figure 1 Relative volume of complaints per sector per thousand customers: January 2011 – June 2012, by quarter [47]



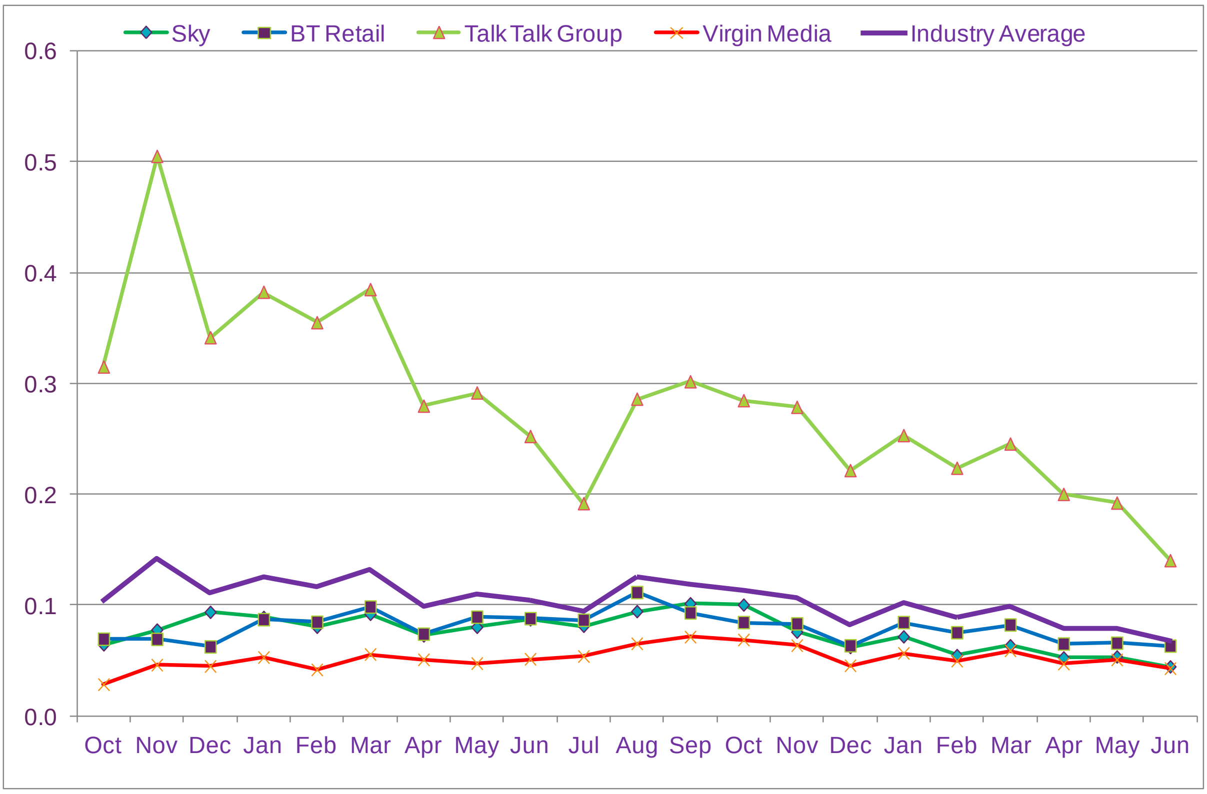
Fixed line telephony complaints

4.7 The following figures show the residential consumer complaints that Ofcom received against the four largest providers of fixed line telephony services between October 2010 and June 2012 inclusive. The information is presented per 1,000 customers/connections for the period covered, by month and by quarter.

4.8 Figures 2 and 3[48] shows that TalkTalk Group still generates the highest number of complaints and is above the industry average, though these volumes have steadily decreased over time. These complaints continue to focus on billing and customer service issues. Ofcom continues to receive fewer complaints about Virgin Media than the other three main fixed line providers.

[47] Pay monthly mobile figures removed whilst data checks are conducted.
[48] Figure 2 contains revised data to those previously published (due to minor data errors). These relate to complaints about providers in Q2, Sky (was 0.25, now 0.24) and Talk Talk (was 0.80, now 0.82). We do not consider these differences to be material to the overall results.

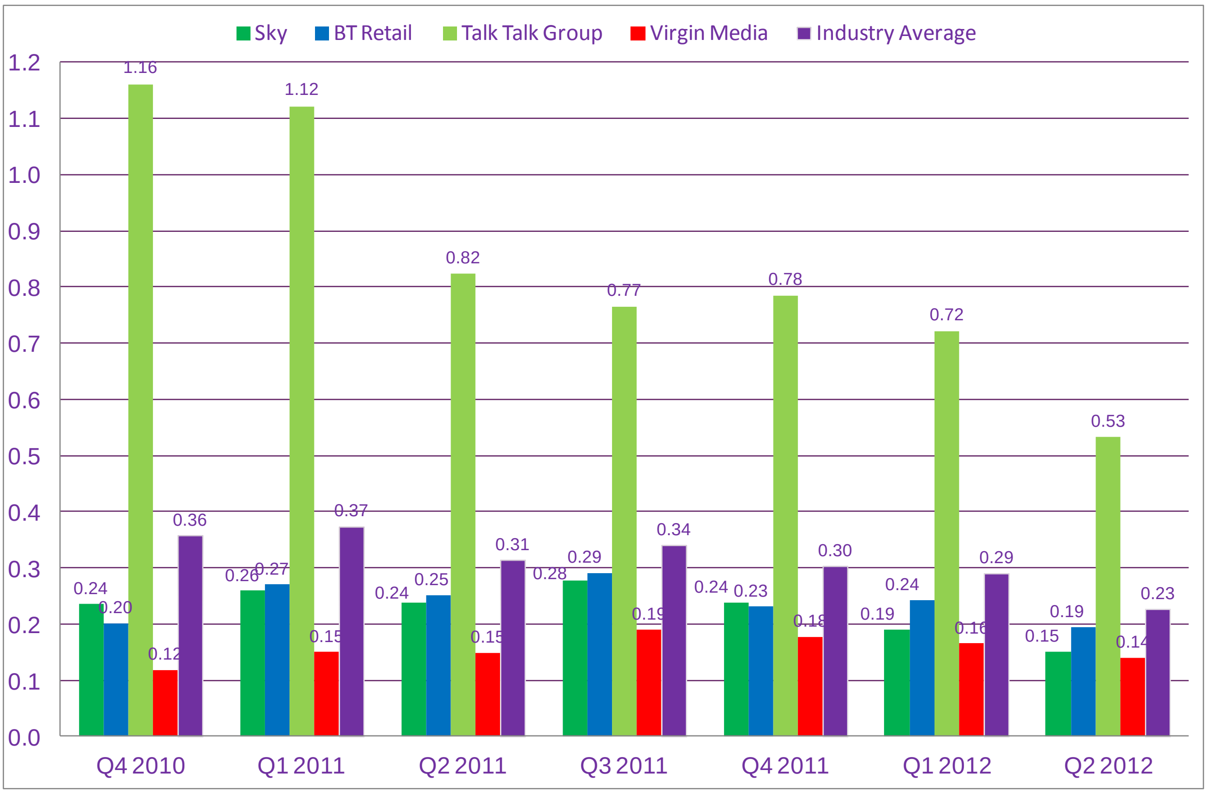
Figure 2: Fixed line complaints per 1,000 customers/connections: October 2010 – June 2012, by month



Note: Industry average is limited to those providers included in the report

Source: Ofcom, CCT data; fixed line providers

Figure 3: Fixed line complaints per 1,000 customers/connections: Q4 2010 – Q2 2012, by quarter



Note: Industry average is limited to those providers included in the report

Source: Ofcom, CCT data; fixed line providers.

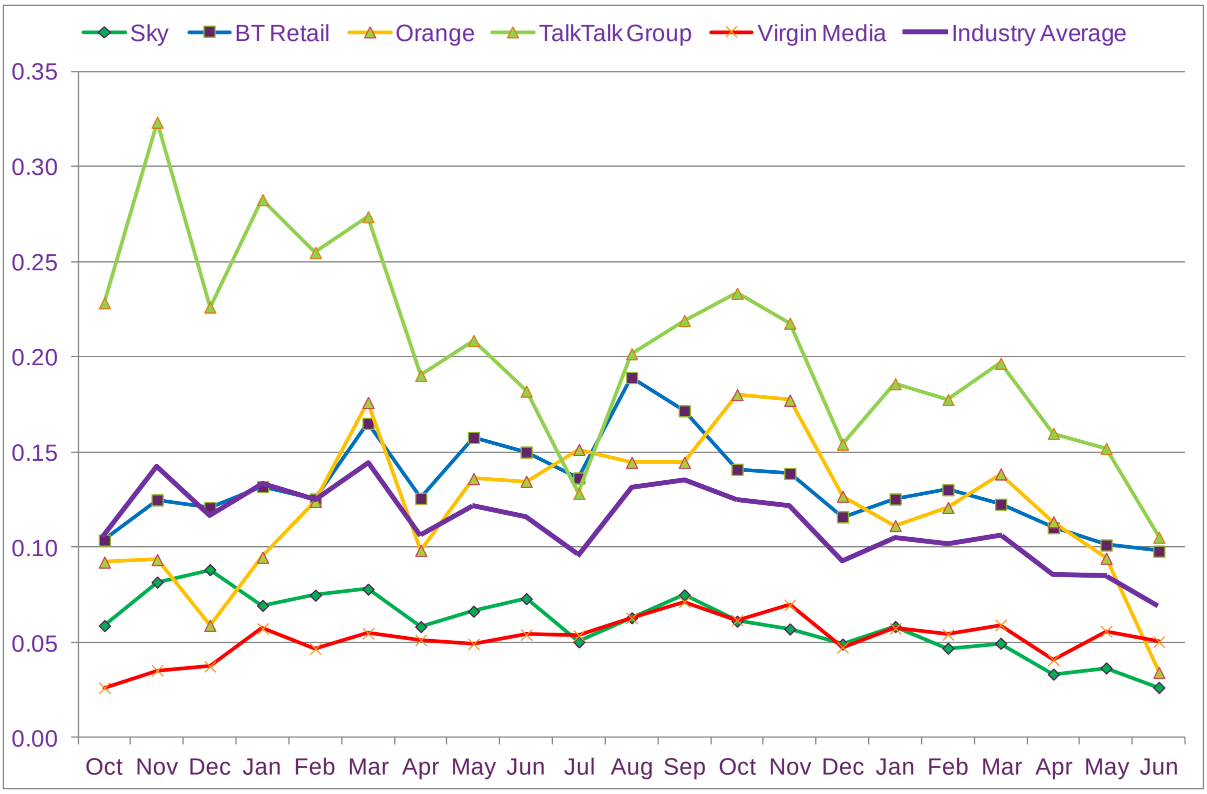
Fixed broadband complaints

4.9 The following figures show the residential consumer complaints that Ofcom received against the five largest providers of fixed broadband services between October 2010 and end June 2012.[49] The information is presented per 1,000 customers/connections for the period covered, by month and by quarter.

4.10 Figures 4 and 5 show that Ofcom received fewer complaints about Sky than the other broadband providers. Talk Talk Group continues to generate most complaints, focussing on issues around line faults and other service issues. Talk Talk and Orange are above the industry average for generating complaints in the latest quarter.

[49] Orange were added from April 2011 onwards when the market share threshold for inclusion was reduced from 5% to 4%.

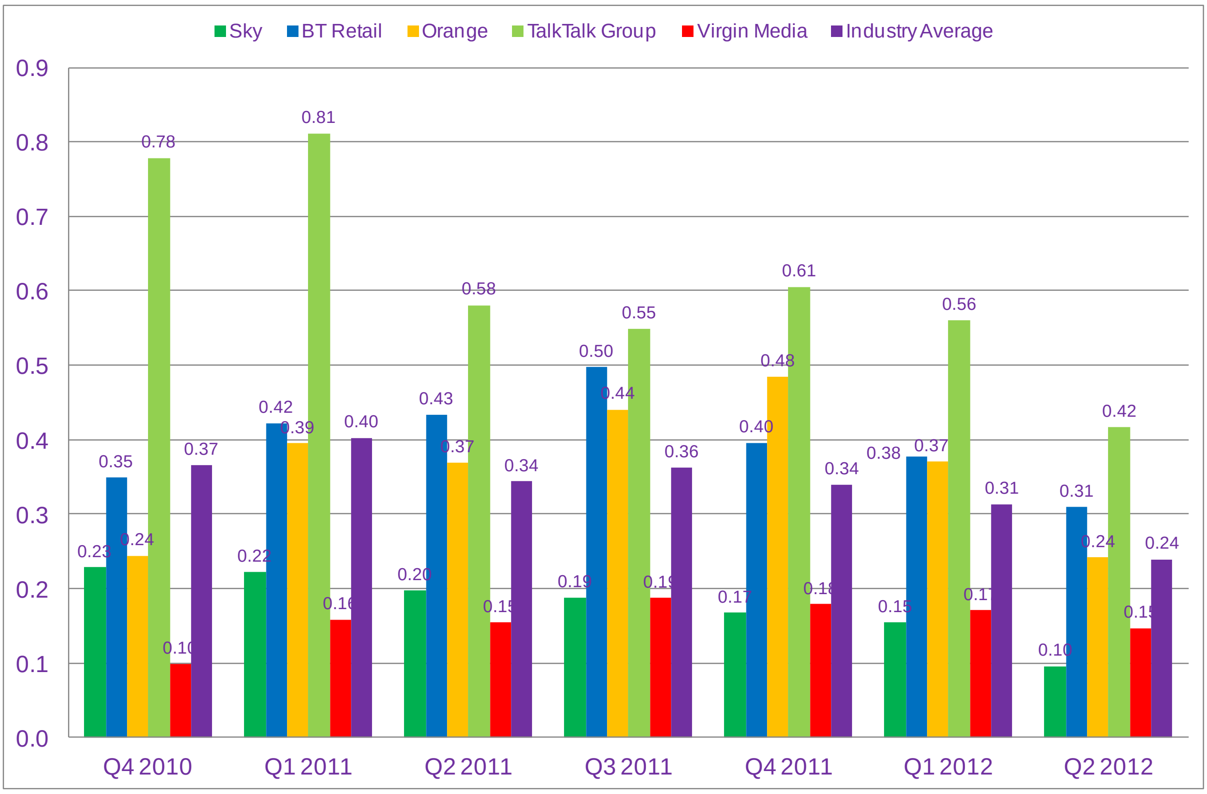
Figure 4: Fixed broadband complaints per 1,000 customers/connections: October 2010 – June 2012, by month



Industry average is limited to those providers included in the report

Source: Ofcom, CCT data; fixed broadband providers

Figure 5: Fixed broadband complaints per 1,000 customers/connections: October 2010 – June 2012, by quarter



Note: Industry average is limited to those providers included in the report

Source: Ofcom, CCT data; fixed broadband providers

Mobile telephony complaints

Pay Monthly complaints

4.11 Section removed whilst data checks are conducted.

PAYG Complaints

4.12 Approximately 95% of mobile complaints received by Ofcom are from pay monthly customers, and consequently we receive relatively few complaints per provider for PAYG services. Over the previous 12 months, no provider has consistently received more than 30 complaints per month. As discussed at paragraph 3.12 and 3.13, the lower the number of complaints, the greater potential there is for the data to be affected by small fluctuations. This is important when trying to identify and assess trends in the data. In other words, it is less likely that robust and comparable data can be drawn from a small sample size. To minimise distortion and allow statistical analysis, we have an existing policy of only publishing complaints data against those providers which, for the service being reported regularly generate at least 30 complaints per month. As such, we consider it inappropriate to publish PAYG complaints data by provider.

4.13 However, we will continue to monitor PAYG mobile complaint levels every time we prepare future complaints reports. If there are sufficient increases in the volumes of complaints received from PAYG customers, we will consider if it is appropriate to include relevant charts in published reports.

4.14 In addition, we continue to publish PAYG complaints in aggregate, as set out in Figure 1.

Overall mobile complaints

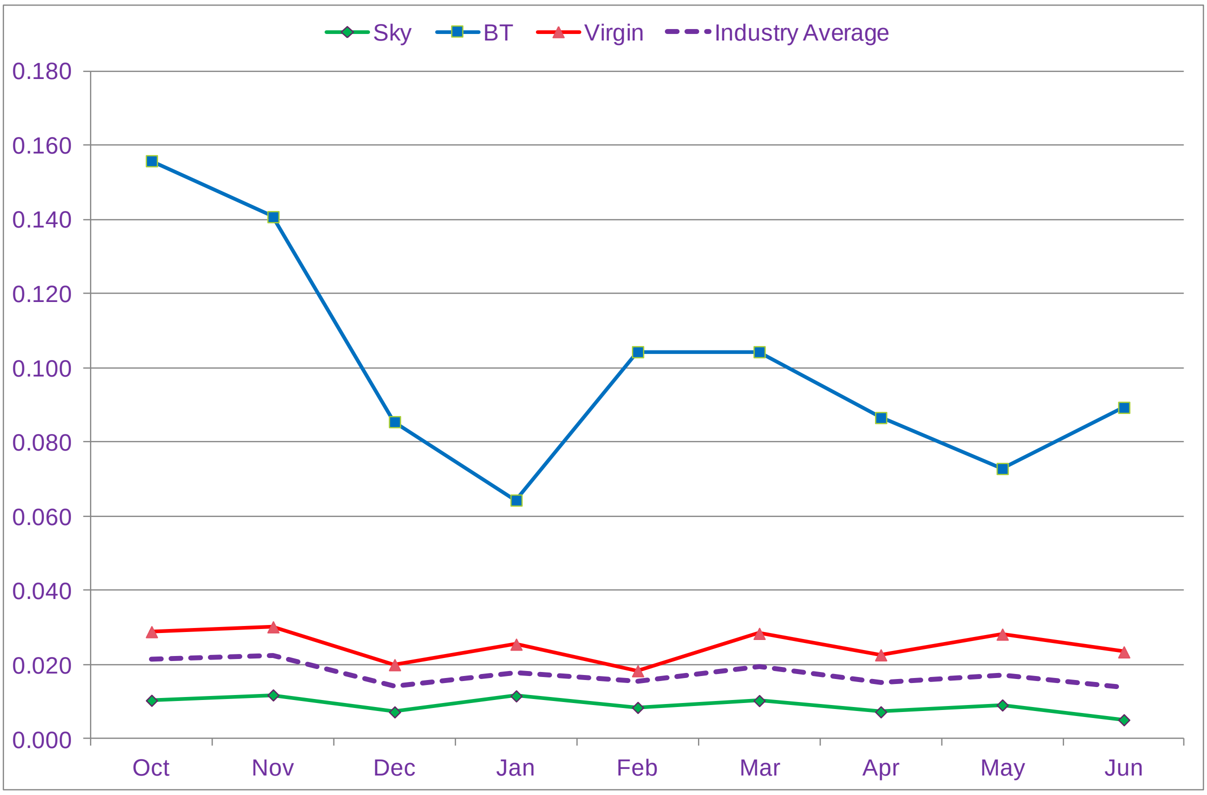
4.15 Figures removed whilst data checks are conducted.

Pay TV Complaints

4.16 The following figures show the residential consumer complaints that Ofcom received against the three largest providers of Pay TV services between October 2011 and June 2012. Overall, Pay TV complaints levels per 1000 customers are lower than for fixed line, fixed broadband and mobile services. The information is presented per 1,000 customers/connections for the period covered, by month and by quarter.

4.17 Figures 10 and 11 show that Ofcom received fewer complaints over the period in question about Sky compared with the other two providers, while it received the most complaints about BT Vision. BT Vision and Virgin generated above industry average complaints levels, though BT were considerably higher than the other two providers. Complaints about BT Vision were partly driven by issues related to their sales processes and problems with billing.

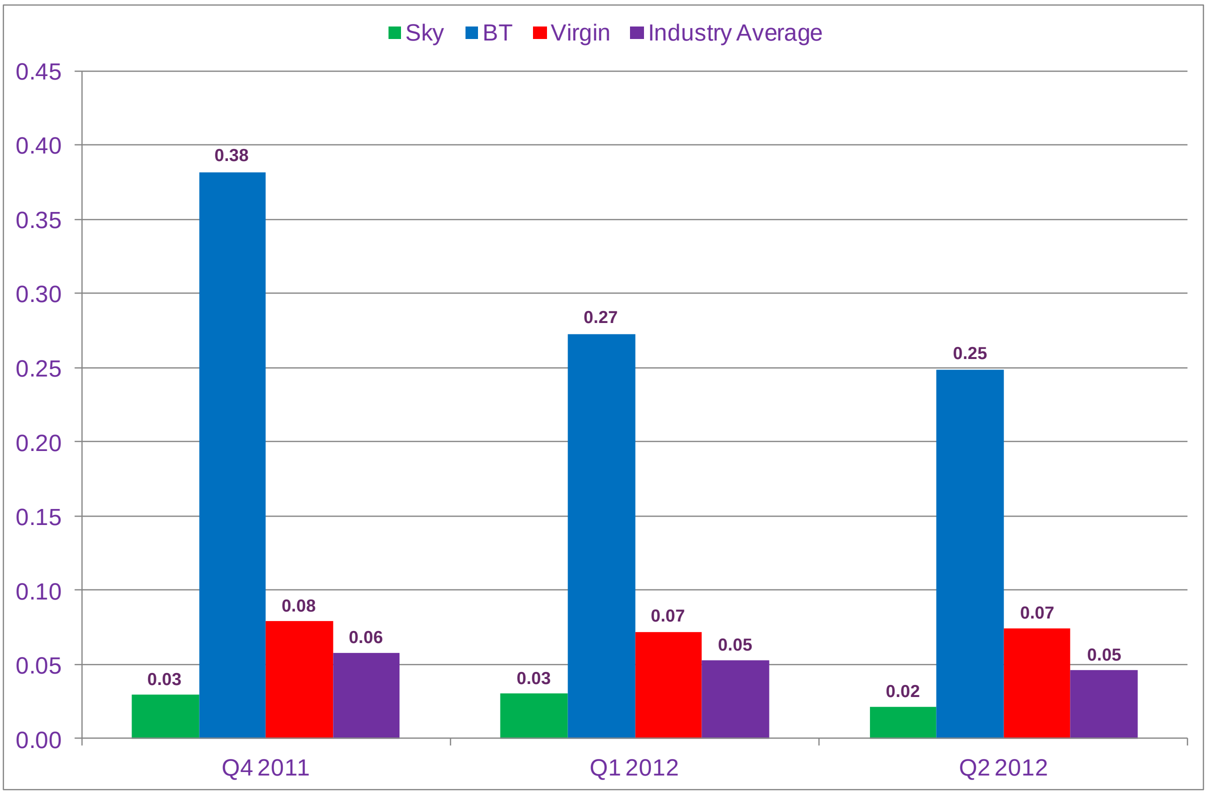
Figure 10: Pay TV complaints per 1,000 customers/connections, October 2011 – June 2012, by month



* *Note:* Industry average is limited to those providers included in the report

Source: Ofcom, CCT data; providers' published reports

Figure 11: Pay TV complaints per 1,000 customers/connections: October 2011 – June 2012, by quarter



Note: Industry average is limited to those providers included in the report

Source: Ofcom, CCT data; fixed broadband providers

Annex 1

Responding to this consultation

How to respond

A1.1 Ofcom invites written views and comments on the issues raised in this document, to be made **by 5pm on 26 October 2012**.

A1.2 We would also be grateful if you could assist us by completing a response cover sheet to indicate whether or not there are confidentiality issues.

A1.3 For consultation responses please email mathew.press@ofcom.org.uk attaching your response in Microsoft Word format, together with a consultation response coversheet.

A1.4 Responses may alternatively be posted or faxed to the address below, marked with the title of the consultation.

Matthew Press
Floor 2
Consumer Affairs
Riverside House
2A Southwark Bridge Road
London SE1 9HA

Fax: 020 7981 3333

A1.5 Note that we do not need a hard copy in addition to an electronic version. Ofcom will not acknowledge the receipt of responses.

A1.6 It would be helpful if your response could include direct answers to the questions asked in this document, which are listed together at Annex 4. It would also help if you can explain why you hold your views and how Ofcom's proposals would impact on you.

Further information

A1.7 If you want to discuss the issues and questions raised in this consultation, or need advice on the appropriate form of response, please contact Matthew Press on 020 7783 4281.

Confidentiality

A1.8 We believe it is important for everyone interested in an issue to see the views expressed by consultation respondents. We will therefore usually publish all responses on our website, www.ofcom.org.uk, ideally on receipt. If you think your response should be kept confidential, can you please specify what part or whether all of your response should be kept confidential, and specify why. Please also place such parts in a separate annex.

A1.9 If someone asks us to keep part or all of a response confidential, we will treat this request seriously and will try to respect this. But sometimes we will need to publish all responses, including those that are marked as confidential, in order to meet legal obligations.

A1.10 Please also note that copyright and all other intellectual property in responses will be assumed to be licensed to Ofcom to use. Ofcom's approach on intellectual property rights is explained further on its website at http://www.ofcom.org.uk/about/accoun/disclaimer/

Next steps

A1.11 Following the end of the consultation period, Ofcom intends to publish a statement in December 2012 as part of the next scheduled complaints report.

A1.12 Please note that you can register to receive free mail Updates alerting you to the publications of relevant Ofcom documents. For more details please see: http://www.ofcom.org.uk/static/subscribe/select_list.htm

Ofcom's consultation processes

A1.13 Ofcom seeks to ensure that responding to a consultation is easy as possible. For more information please see our consultation principles in Annex 2.

A1.14 If you have any comments or suggestions on how Ofcom conducts its consultations, please call our consultation helpdesk on 020 7981 3003 or e-mail us at consult@ofcom.org.uk . We would particularly welcome thoughts on how Ofcom could more effectively seek the views of those groups or individuals, such as small businesses or particular types of residential consumers, who are less likely to give their opinions through a formal consultation.

A1.15 If you would like to discuss these issues or Ofcom's consultation processes more generally you can alternatively contact Graham Howell, Secretary to the Corporation, who is Ofcom's consultation champion:

Graham Howell
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

Tel: 020 7981 3601

Email Graham.Howell@ofcom.org.uk

Annex 2

Ofcom's consultation principles

A2.1 Ofcom has published the following seven principles that it will follow for each public written consultation:

Before the consultation

A2.2 Where possible, we will hold informal talks with people and organisations before announcing a big consultation to find out whether we are thinking in the right direction. If we do not have enough time to do this, we will hold an open meeting to explain our proposals shortly after announcing the consultation.

During the consultation

A2.3 We will be clear about who we are consulting, why, on what questions and for how long.

A2.4 We will make the consultation document as short and simple as possible with a summary of no more than two pages. We will try to make it as easy as possible to give us a written response. If the consultation is complicated, we may provide a shortened Plain English Guide for smaller organisations or individuals who would otherwise not be able to spare the time to share their views.

A2.5 We will consult for up to 10 weeks depending on the potential impact of our proposals.

A2.6 A person within Ofcom will be in charge of making sure we follow our own guidelines and reach out to the largest number of people and organisations interested in the outcome of our decisions. Ofcom's 'Consultation Champion' will also be the main person to contact with views on the way we run our consultations.

A2.7 If we are not able to follow one of these principles, we will explain why.

After the consultation

A2.8 We think it is important for everyone interested in an issue to see the views of others during a consultation. We would usually publish all the responses we have received on our website. In our statement, we will give reasons for our decisions and will give an account of how the views of those concerned helped shape those decisions.

Annex 3

Consultation response cover sheet

A3.1 In the interests of transparency and good regulatory practice, we will publish all consultation responses in full on our website, www.ofcom.org.uk.

A3.2 We have produced a coversheet for responses (see below) and would be very grateful if you could send one with your response (this is incorporated into the online web form if you respond in this way). This will speed up our processing of responses, and help to maintain confidentiality where appropriate.

A3.3 The quality of consultation can be enhanced by publishing responses before the consultation period closes. In particular, this can help those individuals and organisations with limited resources or familiarity with the issues to respond in a more informed way. Therefore Ofcom would encourage respondents to complete their coversheet in a way that allows Ofcom to publish their responses upon receipt, rather than waiting until the consultation period has ended.

A3.4 We strongly prefer to receive responses via the online web form which incorporates the coversheet. If you are responding via email, post or fax you can download an electronic copy of this coversheet in Word or RTF format from the 'Consultations' section of our website at www.ofcom.org.uk/consult/.

A3.5 Please put any parts of your response you consider should be kept confidential in a separate annex to your response and include your reasons why this part of your response should not be published. This can include information such as your personal background and experience. If you want your name, address, other contact details, or job title to remain confidential, please provide them in your cover sheet only, so that we don't have to edit your response.

Cover sheet for response to an Ofcom consultation

BASIC DETAILS

Consultation title:

To (Ofcom contact):

Name of respondent:

Representing (self or organisation/s):

Address (if not received by email):

CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	☐	Name/contact details/job title	☐
Whole response	☐	Organisation	☐
Part of the response	☐	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here. ☐

Name

Signed (if hard copy)

Annex 4

Consultation question

Q1. Do you agree that the overall mobile complaints (aggregated PAYG and pay monthly charts) reporting should be removed for the reasons set out in paragraphs 3.21 and 3.28?