

Incidence of unexpectedly high bills 2014 report

Face to face survey
(conducted as part of Ofcom's Consumer Concerns Tracker)

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Background and objectives

- Ofcom is the regulator for the communications sector. Our principal duty is to further the interests of consumers and citizens in relation to communications matters.
- Communications services feature usage-based charging, which combined with the availability of a wide variety of services priced at different levels, some of which are used infrequently, means that consumers can find themselves facing bills that exceed what they are used to, or expect. This is sometimes referred to as 'bill-shock'.
- Concerns about bill-shock are sometimes expressed directly by consumers in complaints received by Ofcom, as well as by MPs and through reporting in the media. The complaints that Ofcom receives about UHBs are usually in relation to mobile phone bills.
- Ofcom has conducted regular research to monitor the proportion of consumers receiving unexpectedly high bills. This research also monitored the incidence of types of bill-shock within each of the communications markets.

Survey methodology and sample

- The 2013/14 data has been collected as part of Ofcom's Consumer Concerns Tracker. This study is run on Kantar Media's weekly face to face omnibus, with data collected on a continuous basis six times a year among a representative sample of UK adults aged 16+. Fieldwork was conducted during the first week of July, September and November 2013 and January, March and May 2014. Analysis has been conducted on the total sample across all six waves (5696 UK bill payers of communications services) and is focussed on the fixed line and mobile markets.
- Each wave respondents were asked about their experience of bill-shock in the previous 8 weeks. This data has been aggregated to report on incidence of bill-shock over the 12 month period of the research. Respondents interviewed in July 2013 (the first wave of fieldwork) were asked about their experience of bill-shock between May and June 2013, and those interviewed during May 2014 (the last wave of fieldwork) were asked about their experiences in March and April. As such the 12 month period covered by the 2013/14 study is approximately May 2013-April 2014.
- The 2012/13 data was run on three waves of Kantar Media's weekly face to face omnibus during March-April 2013 and asked respondents about their experience of bill-shock in the previous 12 months. Therefore, the 12 month period covered by the 2013 study was approximately February 2012-March 2013.
- The change in methodology, from one annual wave per year, to continuous fieldwork across the year means that results between 2012/13 and 2013/14 are not directly comparable. However, the consistency of findings across waves on aspects such as 'amount of bill shock' suggest the change in methodology has had a minimal impact on data.

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Executive summary



Incidence of bill-shock

- There are indications of a decline in the incidence of bill-shock across the landline, mobile, fixed broadband and pay TV markets. In the 12 month period covered by this research 6% of consumers of at least one of these services said they had experienced bill-shock. This compares to 9% reported in 2013 and 10% reported in 2012. This apparent decline has largely been driven by a reduction in the incidence of bill shock in the mobile contract market.
- Five per cent of mobile contract customers said they had experienced bill shock in the 12 month period covered by the research. This indicates a continued decline (from 10% reported in 2012 and 8% reported in 2013). These levels do not include bill-shock caused by incorrect charges, but do include that caused by 'increased charges'.
- There are no indications of any change in the levels of unexpectedly high bills in each of the fixed line (2%), fixed broadband (1%) and pay TV markets (1%).
- There is little demographic variance in terms of those who claimed to have experienced any bill-shock in the 12 months period covered by the research (Annex A). The indicatively lower incidence noted among older adults (55+) may simply reflect the lower ownership of contract mobiles among customers in this age group as reported in Ofcom's annual Consumer Experience Reports.

Landline

- There has been no significant change in the level of unexpectedly high bills in the fixed line market 2%. Making calls to numbers not included in their monthly allowance and making calls to mobile phones were the primary causes of landline bill-shock at 17% and 20% respectively, among those experiencing bill-shock in the landline market.
- The mean average amount of bill-shock in the landline market remains unchanged at £33. A quarter (23%) of those who experienced landline bill-shock indicated it was between £11 and £20 more than their usual bill.

Executive summary



Mobile phone

- The mobile contract market continues to report the highest levels of unexpectedly high bills, compared with other sectors, at 5%. This indicates a continued decline from 10% reported in 2012 and 8% reported in 2013.
- Making calls to non-geographic numbers (e.g. 0845, 0870), making calls to numbers not included in their monthly allowance (of which there will be some overlap with non-geographic numbers) and exceeding call and data allowances were the primary causes of mobile phone bill-shock in the 12 month period covered by this study. Direct comparisons with previous waves are not possible due to changes to the questionnaire code frame.
- The mean average amount of bill-shock in the mobile market for the 12 month period covered by this research was £36 (£37 among mobile contract customers, the sample of prepay customers experiencing bill shock was too small to analyse). This is £10 less than reported in 2012 and indicates a continued decline. Of the 5% of mobile contract customers who said they experienced bill-shock, a quarter (24%) said it was between £11 and £20 more than their usual bill. Around one in ten (9%) continue to say they experienced bill-shock in excess of £100.
- In total 0.5% of those responsible for a mobile phone bill said had been charged for unauthorised calls due to their phone being lost or stolen, in the 12 month period covered by the research. It is not possible to report the extent to which these consumers paid the costs personally due to low base sizes. Previous studies reported 2% of mobile contract customers had been charged for unauthorised calls due to a lost or stolen phone, but these are not directly comparable and as such we are unable to say whether this represents a real decline.

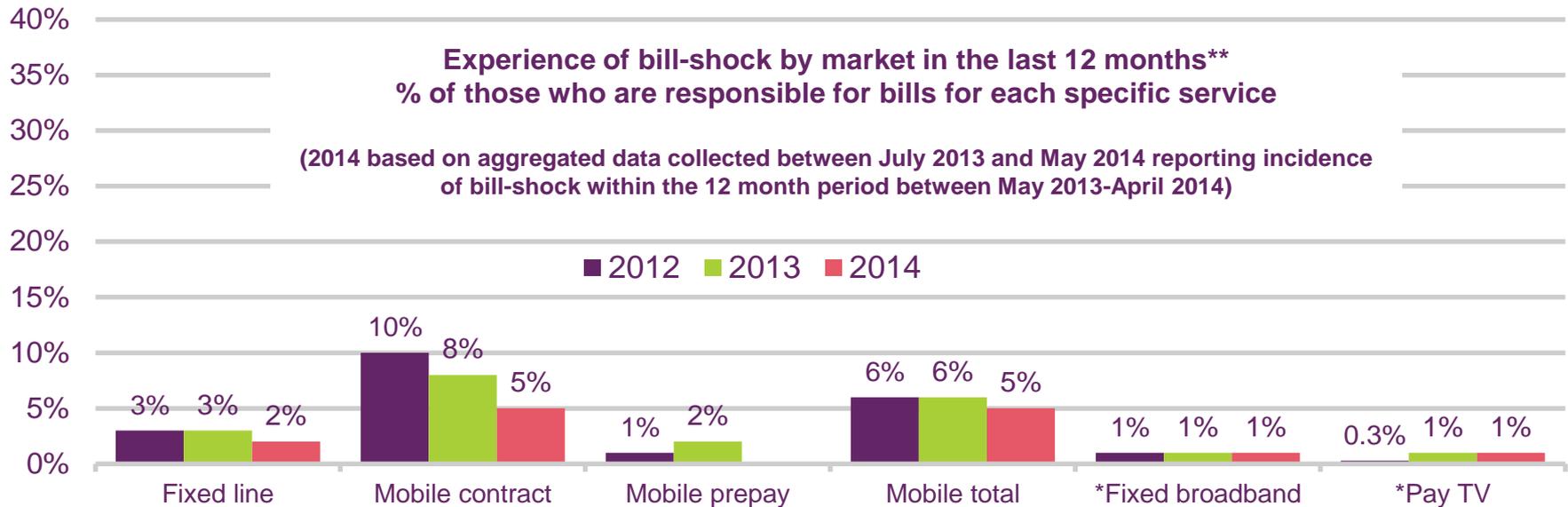
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Incidence of bill-shock – excluding incorrect charges*



- The data below excludes those who stated ‘incorrect charges’ as the cause of the unexpectedly high bill i.e. 11% of mobile customers who experienced bill shock, as illustrated on slide 14.
- The mobile contract market continues to report the highest levels of unexpectedly high bills at 5% compared with other sectors, although data indicates a continued decline in this respect. Bill shock in the mobile prepay market stands at less than 1%.
- The incidence of bill-shock in each of the other communications markets remains broadly similar to that reported in previous years and stands at 2% in the fixed line market and 1% in each of the fixed broadband and pay TV markets (1%).



Source: Ofcom’s Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. ** Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research.

Base: All bill payers for each service - fixed line (2012:4035, 2013:4113, 2014: 4127), mobile contract (2012:2379, 2013:2700, 2014:2729) , mobile prepay (2012:2308, 2013:1877, 2014:1587), Mobile total (2012:4687, 2013:4576, 2014:4350), fixed broadband (2012:3116, 2013:3405, 2014:3571), Pay TV (2012:1780, 2013:2378, 2014:2528)

* Reasons for bill-shock in 2014 are unknown for fixed broadband and pay TV as such data in 2014 for these markets are total bill-shock.

Demographic profile of those who have experienced 'bill-shock' in the landline and mobile markets

	Any		Landline		Mobile Phone	
	2013	2014	2013	2014	2013	2014
Survey date	2013	2014	2013	2014	2013	2014
Base: bill payers experiencing bill-shock on each service	502	340	138	100	271	163
Male	48%	45%	46%	33%	48%	53%
Female	52%	55%	54%	68%	52%	47%
16-34	37%	37%	16%	23%	46%	43%
35-54	39%	39%	41%	36%	40%	39%
55+	24%	24%	43%	41%	14%	18%
ABC1	50%	50%	42%	37%	53%	55%
C2DE	50%	50%	58%	62%	47%	45%
Working	59%	61%	41%	48%	66%	68%
Not working	41%	36%	59%	52%	34%	32%

Source: Ofcom's Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research.

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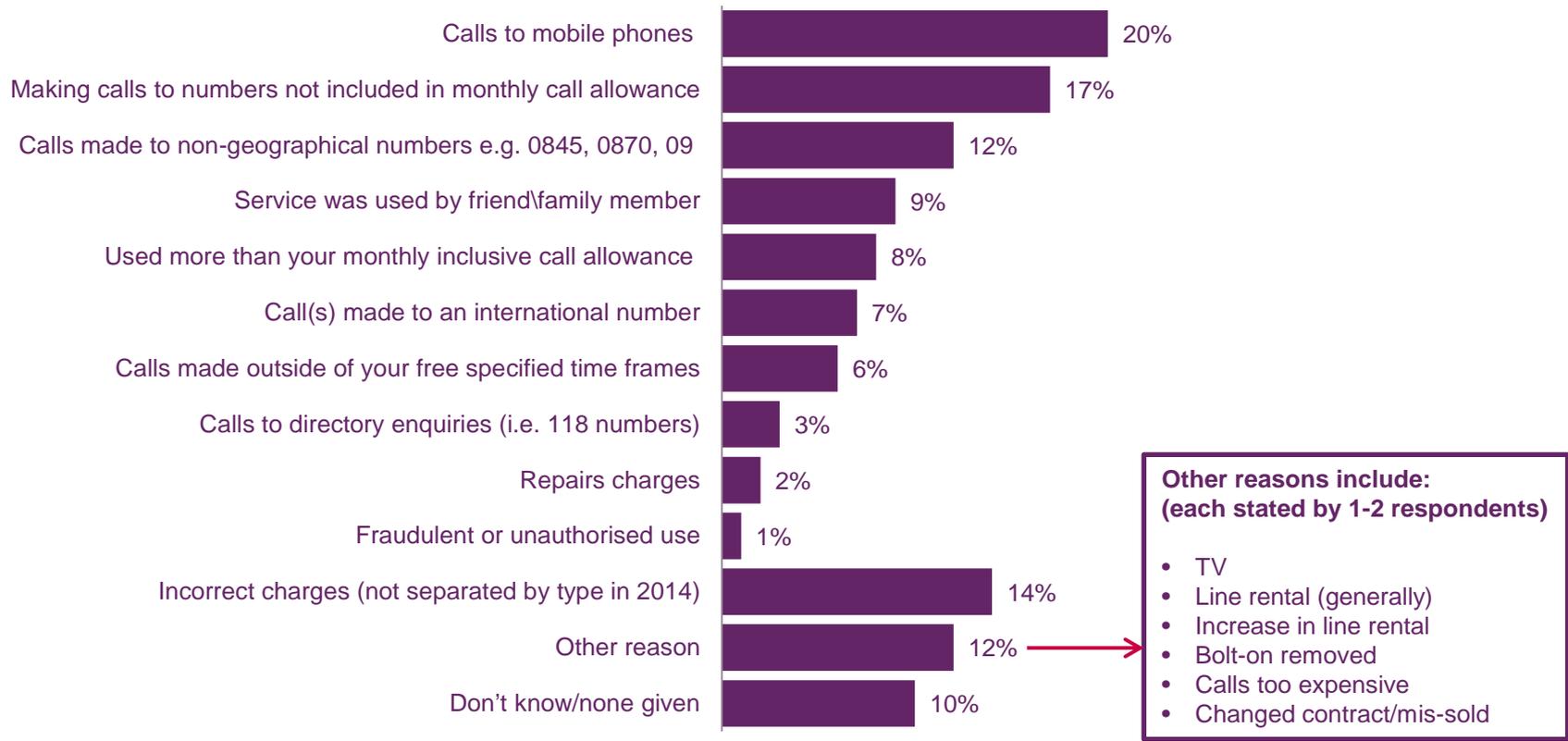
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Reason for unexpectedly high bill – landline phone



• Making calls to numbers not included in their monthly allowance and making calls to mobile phones were the primary causes of landline bill-shock accounting for 17% and 20% of bill shock in this market, respectively. These levels are **not** significantly different (at 99%) to levels reported in 2013.

% of those who experienced landline bill-shock (2% of landline bill payers)



Source: Ofcom's Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research.

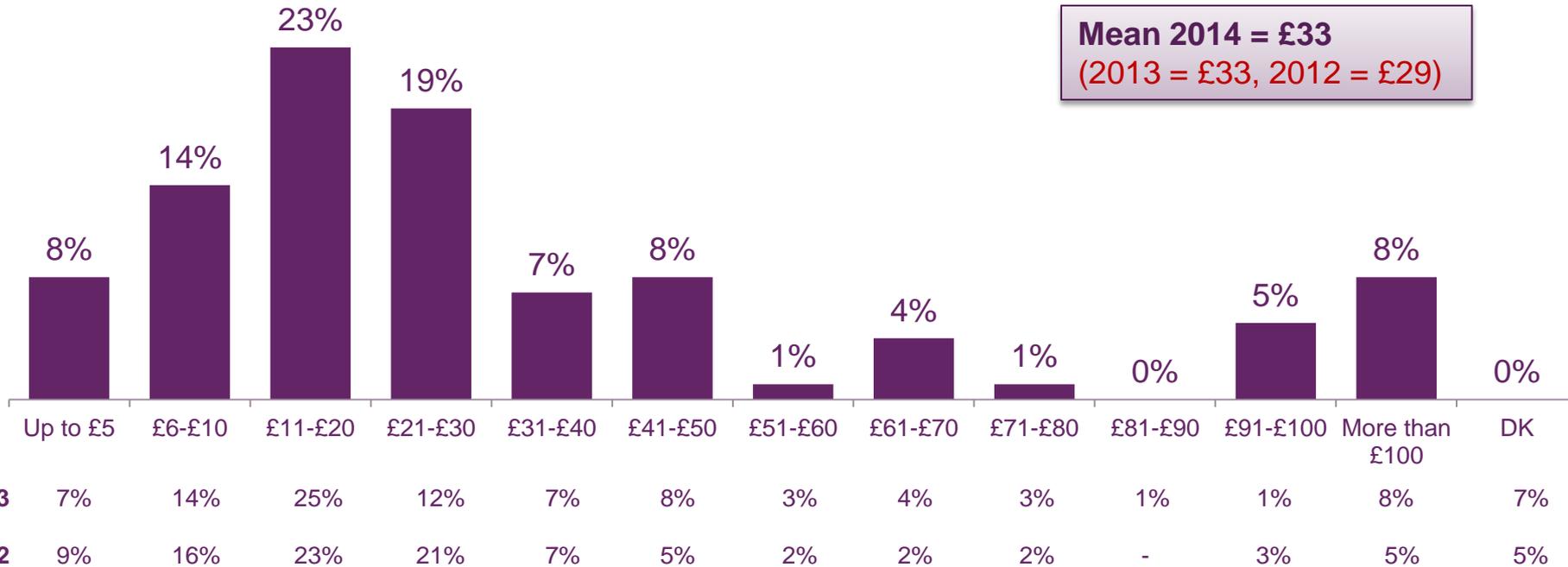
Base: landline bill payers who experienced bill-shock in a 12 month period (100)

How much more than usual was the unexpectedly high bill – landline phone



- The mean average amount of bill-shock in the landline market remains unchanged at £33. A quarter (23%) of those who experienced landline bill-shock indicated it was between £11 and £20 more than their usual bill.
- This analysis includes those who said their bill was higher than expected due to incorrect charges. Excluding these responses has no impact on the mean average amount of bill shock.

% of those who experienced landline bill-shock (2% of landline bill payers)



Mean 2014 = £33
 (2013 = £33, 2012 = £29)

Source: Ofcom’s Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research.

Base: landline bill payers who experienced bill-shock in a 12 month period (2013: 138, 2014: 100)

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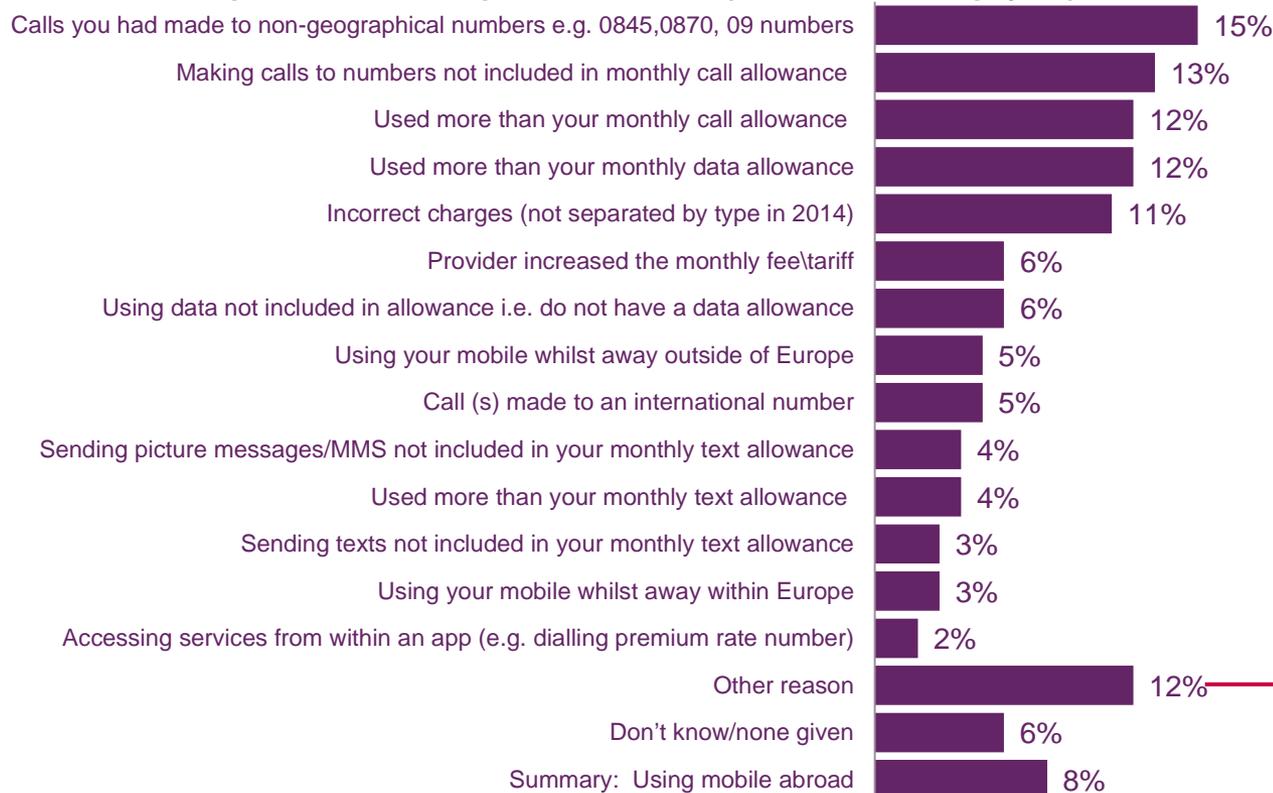
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Reason for unexpectedly high bill – mobile phone



• Making calls to non-geographic numbers (e.g. 0845, 0870), making calls to numbers not included in their monthly allowance (of which there will be some overlap with non-geographic numbers) and exceeding call and data allowances were the primary causes of mobile phone bill-shock in the 12 month period covered by this study. Direct comparisons with previous waves are not possible due to changes to the code frame.

% of those who experienced mobile phone bill-shock (6% of mobile bill payers)



Other reasons include: (each stated by 1-3 respondents)

- Late payment
- Receiving text/SMS
- Mis-sold/mis-leading information
- Data more expensive
- Calls to TV line
- SIM hacked
- Roaming in Northern Ireland

Source: Ofcom's Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research.

Base: mobile bill payers who experienced bill-shock in a 12 month period (2014: 163)

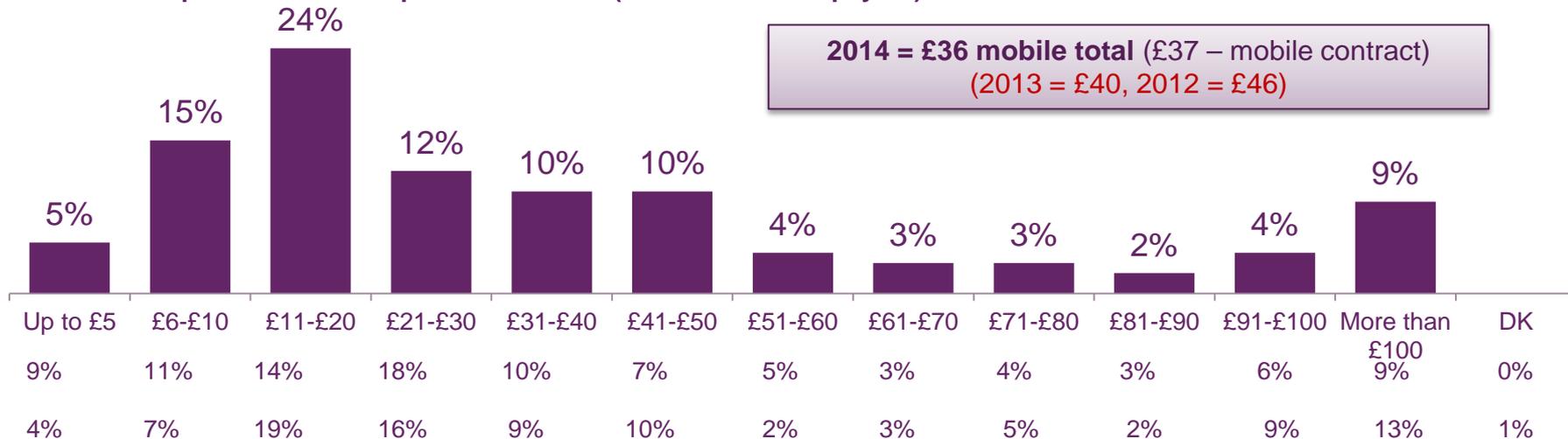
How much more than usual was the unexpected bill – mobile phone (total)



- The mean average amount of bill-shock in the mobile market for the 12 month period covered by this research was £36. This is £10 less than reported in 2012 and indicates a continued decline. A quarter (24%) of those who experienced mobile phone bill-shock indicated it was between £11 and £20 more than their usual bill. Around one in ten (9%) continue to say they experienced bill-shock in excess of £100. The mean average amount of bill-shock in the mobile contract was £37.

- This analysis includes those who said their bill was higher than expected due to ‘incorrect charges’ (11%) and those who reported mobile contract bill-shock due to ‘provider increased the monthly fee/tariff’ (6%). The mean average amount of bill shock does not change significantly when removing those stating ‘incorrect charges’ as the cause (i.e. this stands at £34 among all mobile customers).

% of those who experienced mobile phone bill-shock (4% of mobile bill payers)



Source: Ofcom’s Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research. This data includes ‘incorrect charges’ and ‘increased charges’.

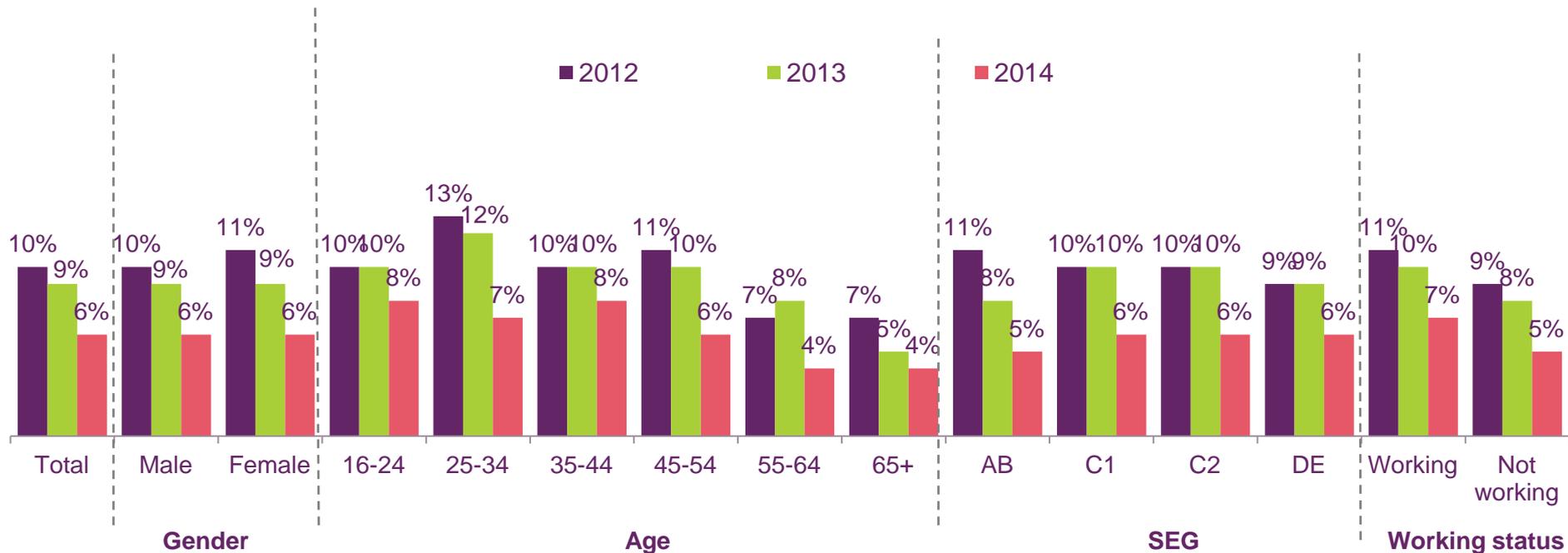
Base: mobile bill payers who experienced bill-shock in a 12 month period (2012:292 2013:271 2014: 163)

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Demographic differences in experience of any ‘bill-shock’ (data does not exclude bill-shock caused by incorrect charges)

- There is little demographic variance in terms of those who claimed to have experienced any bill-shock in the 12 month period covered by this study. The lower levels noted among older adults (55+) are likely impacted by the lower ownership levels of mobile contracts and fixed broadband services.



Source: Ofcom’s Consumer Concerns Tracker, conducted face to face by Kantar. Data collected in July, September and November 2013 and January, March and May 2014. Each wave respondents were asked about experience of bill-shock in the previous 8 weeks, data aggregated to produce experience over the full 12 month period of the research.

Base: All responsible for any bills 2013/14 (Total: 5696, Male: 2728, Female: 2968, 16-24: 531, 25-34: 936, 35-44: 864, 45-54: 891, 55-64: 872, 65+: 1602, AB: 1034, C1: 1423, C2: 1134, DE: 2105, working: 2701, not working: 2995)