

**2017 DRAFT VOLUNTARY CODE OF PRACTICE: AUTOMATIC COMPENSATION
AS ANNEXED TO OFCOM'S CONSULTATION ON AUTOMATIC COMPENSATION**

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Voluntary Industry Code of Practice for Automatic Compensation for service issues relating to residential fixed-line and broadband services

Background

1. Ofcom's Review of Digital Communications indicated the need for the communications sector to deliver better quality of service for consumers. It identified automatic compensation for consumers as one of a number of actions to be implemented by Communications Providers. Automating the payment of compensation, by limiting the level of *consumer* involvement required to receive payment, ensures that consumers are compensated quickly and easily by their Communications Provider for a service quality issue.

Setting minimum standards for automatic compensation

2. To ensure these goals are achieved and that a Communication Provider's compensation policy is adequate to meet these requirements, this Code of Practice contains a set of minimum standards that a participating Communication Provider must commit to.
3. To comply with the Code, the Communication Provider must create an automatic compensation scheme that meets certain key criteria and must compensate consumers who experience service quality issues for those issues set out in this Code. Beyond that it is up to the Communication Provider to choose how they compensate customers and to differentiate themselves accordingly.

What matters to consumers

4. It is important that any compensation regime reflects what matters to consumers and this Code of Practice prioritises those service quality issues that will make the most difference to consumers: timely provision of service; timely fault repair; and keeping appointments.
5. At a minimum, the Communication Provider must commit to providing automatic compensation if they fail to meet the minimum standards in these three areas.

Creating an effective automatic compensation policy

6. Multiple factors influence the ability for a Communication Provider to provide its services, some of which are beyond the provider's reasonable control. Moreover, for automatic compensation to work effectively, each service incident must be capable of being objectively defined and measured, in order that the fault can be readily assigned and a customer's entitlement to redress is clear. This Code of Practice recognises that reality and focuses on those service issues that fall within a Communication Provider's ability to influence and which can be objectively measured and easily identified. The Code excludes automatic compensation for service issues resulting from customer-caused faults, for example, incorrect use of devices, in-home wiring issues and missed appointments caused by the customer.
7. By focusing on these factors, the Code seeks to create a compensation framework that is consumer-focused allowing Communication Providers to provide redress for core service issues that matter most to customers.

Applicability of the Code

8. This Code applies to all Communication Providers who sign up to the Code (the “**signatories**”). A list of the signatories is kept on Ofcom’s website (www.ofcom.org.uk) and will be updated by Ofcom from time to time, as appropriate. The Code applies to the provision and repair of residential fixed-line and broadband services to residential customers. The Code does not apply to dedicated business services intended primarily for use by business customers. Automatic compensation is triggered by a failure to meet quality standards applicable to the service, as described below, regardless of the customer’s permitted and legal use of that service, provided the customer’s use is not the cause of the failure.

Code of Practice for Automatic Compensation

General principles applicable to all instances of automatic compensation for quality of service issues detailed in this Code

9. The Communication Provider must ensure its automatic compensation scheme is published prominently on its website and ensure that it is cross-referenced in its Customer Complaints Code of Practice.
10. Automatic compensation is not applicable in any instance in which a customer is at fault for the service failure (based on evidence known to the Communication Provider) or the fault is not in respect of the service provided.
11. Automatic compensation only applies for service failures provided the service is ultimately delivered to the customer i.e. it is not cancelled by either the customer or the Communications Provider.
12. If automatic compensation is payable, the Communication Provider must proactively offer this to affected customers. This may be in the form of a bill credit or an alternative form of recompense of equivalent or higher worth. A Communication Provider may choose to offer different forms of redress provided a bill credit is offered as an option.
13. Any compensation payment shall be made in a timely manner and no later than the next available bill date after the issue is resolved unless the customer has elected to receive an alternative form of redress at a different time.
14. Any reference to a ‘day’ in this Code shall mean a **[working day]** unless otherwise stated.
15. Subject to paragraph 10 above, the Communications Provider does not avoid payment of automatic compensation if the issue was caused by an event outside of the customer’s or its own control.
16. The values for automatic compensation set out in this Code apply on a per customer order basis rather than on a per service basis so if a customer takes both a fixed line and broadband service and both are affected at the same time, only one payment is payable in accordance with the below.

Service issue 1: Automatic compensation for a delay in activation of a fixed line or broadband service

17. A Communication Provider must pay automatic compensation to a customer if it does not activate a customer's fixed line or broadband service by midnight on the date initially confirmed in writing with that customer.
18. The amount of automatic compensation payable shall be a minimum of **£3** per day for each day that the delay in activation is late from the first day after initial activation date up to the first available date that is offered as an alternative activation date. The Communication Provider may choose to put a cap on the total compensation payable provided it is no less than **X** (this shall not limit customers' rights of redress they might otherwise have, for example, to end their contract or claim additional compensation).
19. In this instance 'automatic' compensation means that the customer must not be required to make a claim for compensation; it shall become due as soon as the delay in activation of the customer's service arises (subject to paragraph 11 above). However the customer may be asked to select the form they would like the compensation to take.
20. Automatic compensation may be payable for this service failure in addition to any automatic compensation payable as a result of a missed appointment (see below).

Service issue 2: Automatic compensation for a delayed repair following loss of service to a fixed line or broadband service

21. A Communication Provider must pay automatic compensation to a customer if:
 - a. A customer reports a total loss of service in relation to their fixed line or broadband service to their Communication Provider; and
 - b. Following an engineer visit or remote testing and diagnosis, a total loss of service is identified and a fault recorded on that line or service; and
 - c. Such fault is not resolved by midnight on the day **three working** days after the fault is placed unless a customer has requested a later date for repair. For example, if a fault is reported on a Monday, compensation will become payable if the fault has not been fixed by midnight on Thursday.
22. Automatic compensation is not payable in respect of any planned network service outage which is notified to the customer in advance.
23. The amount of automatic compensation payable shall be a minimum of **£3** per day for each day the repair is delayed. The Communication Provider may choose to put a cap on the total compensation payable provided it is no less than **X** (this shall not limit customers' rights of redress they might otherwise have, for example, to end their contract or claim additional compensation).
24. In this instance 'automatic' compensation means that the customer must not be required to make an additional claim for compensation beyond the first notification it makes to the Communications Provider of the issue arising (subject to paragraph 11

above). However the customer may be asked to select the form they would like the compensation to take.

25. Automatic compensation may be payable for this service failure in addition to any automatic compensation payable as a result of a missed appointment (see below).

Service issue 3: Automatic compensation for a missed engineer appointment relating to the provisioning or repair of a fixed line or broadband service

26. A Communication Provider must pay automatic compensation if:

- a. A customer requires an engineer appointment for the provision or repair of a fixed line or broadband service; and
- b. The Communication Provider confirms an engineer appointment slot to the customer in writing (which may be via electronic means); and
- c. The engineer does not attend in the confirmed appointment slot provided by the Communication Provider.

27. Compensation is not payable if the Communication Provider gives notice of a change or cancellation of the appointment at least 24 hours' in advance.

28. The amount of automatic compensation payable shall be a minimum fixed fee of **£20**.

29. In this instance 'automatic' compensation means that compensation becomes due as soon as the Communications Provider is aware that an appointment has been missed (subject to paragraph 11 above). However the customer may be asked to select the form they would like the compensation to take.

Appeals process

30. A customer should raise any complaint under this Code in accordance with the principles and process set out in the Communication Provider's Customer Complaints Code of Practice. A Communication Provider must deal with any such complaint in accordance with such principles.

Consumer rights

31. Compensation payments made under this Code of Practice do not limit any right of recourse a consumer may otherwise have at law.