

Reactiv Media Ltd OfCom Response

Q1: We would welcome views and evidence from stakeholders on (a) the main types of harm that consumers experience from nuisance calls in general and specifically in relation to silent and abandoned calls; and (b) how to measure the harm.

You may wish to consider the following points in your response:

- *Evidence of changes in the nature and magnitude of the harm since we last reviewed the policy in 2010.*
- *Whether the harm differs across landlines and mobiles, consumers or the different types of calls (e.g. the time of day the call is received, whether it is a silent call or a live call).*
- *Types of harm other than wasted time and distress.*
- *Whether the distress caused by nuisance calls can be quantified and if so how.*
- *Evidence of how long it takes consumers to deal with silent and abandoned calls (e.g. X seconds or minutes to answer the phone, deal with the call, take steps to prevent further calls) and how that time should be valued.*
- *Views on the relationship between silent and abandoned calls and other call types.*

Caller Line Identification (CLI) is vital in order for the consumer to have the ability to call a company back following a missed call. This enables the consumer to either positively respond to services or products, or opt out from further calls. Harm is being done to the industry by those companies who do not present a CLI and as such, no way of contacting the organisation in question.

Understandably, consumers may feel aggrieved at receiving silent calls and whilst Automated Calling Systems (ACS) have come a long way, eliminating silent calls continues to remain a challenge. However delivery of a CLI number always gives the consumer the ability to take action if required.

Is there an opportunity for specific guidelines to be given about re-contact following failed consumer contact rather than reduction in the drop call rate??

Q2: We would welcome views and evidence from stakeholders on what are the key drivers of (a) silent calls and (b) abandoned calls.

You may wish to consider the following points in your response:

- *Whether the main driver for abandoned calls is the use of ACS or if there are other key drivers.*
- *Whether you agree with the possible reasons why consumers may receive silent calls and the extent to which they are likely to be a key driver of the overall volume of silent calls as set out in Figure 1.*
- *Evidence of the key drivers of silent or abandoned calls.*

- *Aside from mobile coverage, whether there are other issues specific to mobiles that could be causing silent or abandoned calls.*
- *Any information you have on how long organisations will ring consumers before disconnecting an unanswered calls (e.g. 15 seconds) or how quickly they connect consumers to a live agent (e.g. two seconds).*

The key drivers for silent calls is a lack of understanding of the current regulation coupled with inefficient use of ACS. For example, the pace of dialling at a setting that bears no correlation to the amount of agents available to receive the calls. If businesses do not manage the correlation correctly, then the following will occur –

- a. Outbound calls made to customers are connected but no agent available to take the connected call, resulting in a silent call
- b. Call Centre agents' productivity being very low (waiting for calls to be delivered to them) resulting in a very low drop call but increased staffing overhead costs.

Agent behaviour may also impact silent calls as subject to the average call length, agents could be delivered calls immediately before rest periods or finish times and deliberately choose not to “connect” to the consumer. The monitoring of agent average call times immediately prior to these occurrences are used to prevent this type of behaviour along with call assessments.

The main driver for abandoned calls will be the consumer not being available to answer the call (this may be more prevalent with mobiles v landlines) and the business's own internal processes for allowed ring times. As per the response within Question 1, providing a CLI gives the consumer the ability to ring the business and take the required action.

Q3: We would welcome views and evidence on the use of AMD including (a) if call centres have changed their use of AMD in recent years and if so why (b) the volume of calls made by call centres with and without the use of AMD (c) false positive rates when using AMD and any data to suggest that the accuracy of AMD has improved in recent years.

Within the B2C market there are a significantly higher proportion of consumers with mobile phone numbers rather than landline numbers. Consumer behaviour would suggest that this will continue as more consumers are using mobiles and ceasing paying for landline contracts. AMD is an important technology to support improved agent productivity, however false positive responses clearly have to be monitored closely. Businesses must take on board this responsibility rather than just rely on AMD as its sole measure. There is little evidence to suggest that the technology has improved hence businesses need to monitor closely in conjunction with agent dispositioned call outcomes.

Q4: We would welcome views and evidence on potential changes to the policy to help reduce the harm caused by silent and abandoned calls including those identified in Figure 2 (abandoned call rate and approach to AMD),

Figure 3 (time limits for calling consumers and connecting to a live agent) and Figure 4 (good management and appropriate processes).

You may wish to consider the following points in your response:

- *Views on whether it would be worth pursuing any of the potential changes identified in Figures 2 to 4 or if there are other potential changes that should be considered, for example, to make it clearer and easier for stakeholders to understand and follow or to specifically address calls made to mobile phones.*
- *Data indicating the likely impact of the potential changes in terms of reducing the harm caused by silent and/or abandoned calls and the potential cost of the change (both one - off and ongoing costs)*

Regulating businesses to achieve a dropped call rate of 1% will only harm those businesses that strive to meet to current regulations in place.

The issue is caused by the businesses that pay complete disregard to the current regulations by not providing customers with a CLI number and failing to manage their business to the current 3% drop rate. These businesses are currently invisible to the Regulator.

Guidelines (rather than Regulation) around repeat contacts when a call is unanswered (as noted in response to Question 1) would provide benefit.

Where AMD is in use, this must be monitored in conjunction with call outcomes to fully understand the impact on the consumer.

Businesses still need to be able to operate cost effectively and reducing the drop rate to 1% will only result in the more prudent businesses being forced to re-think their outbound operations due to less than cost effective operating costs (less efficient agents/reduction in the work force/closure of operations).

It is our opinion that dropping the drop call rate to 1% could easily close us and a large number of other outbound companies who do adhere to regulations.

Q5: We would welcome views and evidence on potential changes that could be made to the policy relating to the a) current five general examples of persistent misuse (misuse of automated calling systems; number - scanning; misuse of a CLI facility; misuse for dishonest gain – scams; and misuse of allocated telephone numbers) or b) other examples of persistent misuse.

You may wish to consider the following points in your response:

- Whether the five general examples of persistent misuse remain relevant or if there are any changes or other types of persistent misuse that we should consider.
- *Views on whether there are changes we should consider making to the policy relating to the provision of CLI information (noting the issues we set out in paragraphs 4.8 to 4.15).*
- *Views on whether it would be useful to clarify how we might use our persistent misuse powers in relation to calls made during unsociable hours and if so how and why.*
- *Views or evidence on the use of and harm caused by (a) localised CLI or multiple CLIs (b) IVM systems being used for outbound dialling where a*

consumer is kept on hold rather than immediately connected to a live agent.

- *Whether a checklist and/or best practice guide would be useful and, if so, how such documents could be best developed and communicated.*

Reactiv Media do not operate during unsociable hours and an out of office message is provided detailing the operational hours.

We do not operate IVM due to the nature of our business however, there are businesses where use of IVM is valuable and allows efficiency gains.

However giving the consumer the ability to “opt-out” of the IVM and speak with an agent (customer confusion/misunderstanding) is best practice offered by the more prudent businesses.

Many businesses will use local rate CLI's giving the consumer the ability to return a call at local rather national rate (so long as the number is provided), thus taking account of the consumer and improving the service offered. As long as businesses use these as intended and give the consumer the ability to contact via the provided number, then there is no issue or concern. The issues remain with those companies that use local CLI's to avoid being detected.

Q7: We would welcome information on the current operation of the outbound call centre market, in particular:

- *The size of the current outbound calling market e.g. the annual number of calls made as well as the value.*
- *The size of total annual costs in the outbound market (where possible split by operating costs and capital costs (or depreciation)).*
- *The average costs per call/per agent (or per agent hour).*
- *The split of call centre locations (domestic or overseas) that make calls to UK numbers.*

Rather than provide the above information specific to our business, are there Call Centre Forums that general information can be obtained?

Q8: We would welcome any initial views and evidence on the potential costs and benefits of any of the potential changes to the policy. In particular, whether any of the potential changes would:

- *require investment in new technology or other capital costs;*
- *have an impact on efficiency and operating costs;*
- *have an impact on call-centre costs or call-centre prices (to their clients);*
- *affect competition in the call-centre market; and*
- *have a different impact on different types of call centre, and if so, what factors affect the level of impact.*

The proposed changes would significantly increase operating costs and reduce efficiency. If a business were to deliver the required 1% dropped call rate, this would result in increased staffing requirement, those staff required to

spend more time being in an available state to be able to receive a delivered call, thereby less efficient agents.

More staff requirement, less staff output = reduced revenue/profit for businesses which could ultimately lead to business closure and job losses. The proposed changes could also result in the rise of more unscrupulous businesses adversely affecting the consumer and the industry.

Q9: We would welcome any views on what factors may influence a call centre's likelihood of adhering to the current or a stricter policy.

Increased regulation requirements have meant that businesses, if they want to be successful must invest more into systems, technology and improved practices not to fall foul and end up with hefty fines. Whilst it is agreed that the impact on the consumer is all important, this comes at a cost that unfortunately some companies are unwilling to invest in.

As mentioned previously within this paper, the stricter policies if enforced, will result in increased costs, less efficient agents, reduced profit levels and cause businesses to determine if the effort is worth the reward?

The current problems may persist but the ability to take action is restricted due to being unable or it being more difficult to trace the offending organisation. The impact on customers may not improve as more businesses come out of the market place leaving those businesses not willing to take on the new regulatory requirements "free" and undetectable.