

Review of Metering and Billing Direction

Response by TalkTalk Group

Consultation

Publication Date: 20 February 2014

Closing Date for Responses: 1 April 2014

TalkTalk Group welcomes the opportunity to respond to Ofcom's further consultation of the Metering and Billing Direction.

By way of background, TalkTalk Group is made up of three distinct business units / brands with its Metering and Billing compliance requirements being structured to reflect the different types of customer, functions, billing platforms and 'businesses' within the overall Group.

TalkTalk Group can therefore be split into the following three distinct and separate parts:

1. TalkTalk is the business unit / brand providing retail products and billing for consumer (residential) customers.
2. TalkTalk Business provides business (SoHo¹, SME², Corporate and Enterprise) customers with business and enterprise grade retail and wholesale products.
3. TalkTalk Technology provides the "*wholesale*" network operation for both the 'TDM'³ and 'NGN'⁴ networks used to provide services.

¹ Small Office Home Office

² Small and Medium Enterprise

³ Time Division Multiplex: the fixed line voice access analogue technology network

⁴ Next Generation Network: the mixed fixed line voice and data network running over IP protocols

Question 1: We invite stakeholders' views on the proposed removal of target-based requirements across all retail services and evidence to support their views

TalkTalk Group believes that the removal of target-based requirements can only benefit a CP wishing to show compliance with the Direction. In a simplified format it is entirely possible that making future versions of the Direction less onerous to a Communications Provider will invite additional applications for formal compliance.

As an organisation, we believe that the adoption of a qualitative approach using robust principles, practices and processes should be a more easily understood concept for the customer than a technical measurement of accuracy.

Formal reviews of systems/ processes, pre-billing checks, customer contacts and a complaints process, along with formal compliance/ audit activity will provide the end-user customer with the assurance that billing will be accurate.

The list of subject matter (included within the proposed new Metering and Billing Direction) to be considered by an applicant CP can only provide the end-user customer with the knowledge that activities undertaken in retail billing provision and any associated formal assessments will be robustly and fully 'audited' by an independent third party.

Formal business and revenue assurance processes are used throughout TalkTalk Group to ensure billing accuracy across all products offered and customer types supported. This will include measures to ensure accuracy in respect of under and over charging.

Any such activities and processes have been developed (and maintained) to meet compliance requirements under the 2008 Direction, the 2003 Direction and earlier iterations of metering and billing compliance.

Furthermore, taking into consideration GC 14 (specifically S.14.4), provision of a Complaint Code of Practice, is a further requirement providing a transparent, accessible and effective solution for the customer with an independent arbiter under an Alternative Dispute Resolution scheme.

Question 2: We invite stakeholders' views and evidence on the practicality of the proposed new timeframe for approval as set out in paragraph 5.1 of the draft new Direction.

TalkTalk Group believes that the introduction of qualitative based compliance methods should simplify the process of compliance with the proposed new Direction. As such, we do not have any great concerns that the new timescales should not be achievable in respect of initial or new applications for Approval.

For information these are as follows (extracted from S5.1 of the proposed new Direction):

The timetable required for this process is as follows:

Milestone	No later than
Application for Approval	6 months from reaching Relevant Turnover
Agreed Approval plan between CP and AB	3 months from AB Application
Initial Approval gained	24 months from Agreement of the Plan

We have however noted the detail contained within sections 3.3.1. and 3.3.2 of the proposed new Direction reference 'Existing Approval' and 'Gaining Approval' respectively.

TalkTalk Group are concerned that the potential workloads of numerous Communications Providers and their respective Approval Bodies may be restrictive in allowing all potential applicants the bandwidth to be able to meet the obligations highlighted. It is entirely possible that the "6 months" and "3 months plus 12 months" timescales may not be achievable due to the numbers of relevant applications that may be in play post formal publication date.

We would therefore suggest that there be scope for additional time should this become an issue to individual Communications Provider applications. Perhaps this can be formally agreed between the Communications Provider and the relevant Approval Body with a maximum timescale of 'x' months being mandated.

Question 3: We invite stakeholders' views on whether the proposed revised definition of EPF would be workable. We also welcome any alternative suggestions for the definition.

TalkTalk Group has no comments in respect of the proposed revised definition of Extraordinary Performance Failure. We believe best practice means that trend analysis takes place at many control points in the billing process. Failure to carry out this activity leads to a decrease in continuous improvement of processes etc.

It has been noted that the levels of performance, and therefore the target based aspect of a performance failure (measurement of a 'spike') is to be agreed between Communications Provider and Approval Body. We are concerned that this or any level of 'spike' may not be measured uniformly throughout the industry.

Question 4: We invite stakeholders' views on the proposed timeframe for delivery of CDRs as set out in paragraphs 7.1 of the Direction. If you do not agree, please provide evidence to support an alternative approach or timeframe.

TalkTalk Group welcomes the review in timescales for CDR delivery.

However, as noted in previous responses, for a network operator to provide wholesale services to another, formal contractual agreements and service levels will be applicable between the wholesale parties. Should the specific terms not be met, it is believed that applicable and reasonable penalty clauses between the relevant wholesale parties should be brought into play.

The current Direction states, "*where wholesale service contracts exist between two or more Communications Providers, it shall be for each Communications Provider to satisfy themselves that the services they offer or receive meet the requirements of this Direction*".

Specific contracts and agreements between Communications Providers are important in ensuring that a supplier supports a communications supplier's requirements to provide accurate billing. It is likely that, within a typical supply chain, not all parties will have a requirement to formally comply with the Direction.

Whilst we acknowledge that the principle behind the speedy delivery of CDRs through the whole supply chain is important to the retail Communications Provider we have concerns around timing in a complex supply chain. The more complex the supply chain the greater the risk that this principle cannot be met.

To a wholesale Communications Provider in a complex supply chain there is a potential risk to the mandatory measurement of undercharging. Wholesale contracts can mean that the supply of raw billing data can be passed on many months later. Will the recipient wholesale Communications Provider be expected to include these very late volumes, numbers etc in their undercharging measurement?

We would welcome Ofcom's comments on this risk to mandatory wholesale undercharging.

Modern charging strategies (i.e. bundled services and those services with associated higher recurring charges) are driven through retail billing platforms only. In certain circumstances it is believed that the failure to deliver CDRs to a retail supplier will not have an effect on accuracy of billing (inclusion of the charges within the bundle would not exceed bundle limits applied and therefore incur additional charges).

Question 5: We invite stakeholders' views on the proposed non-material changes to the Direction?

TalkTalk Group has no comment in respect of the non-material changes.

Question 6: We invite suggestions on these and other ways in which awareness of the Scheme can be promoted.

Awareness of the scheme should be promoted outside of the Communications Provider community.

As a Communications Provider, TalkTalk Group will believe it beneficial to only promote our own successes under the Metering and Billing Direction. We feel, therefore, that the responsibility for promotion of the Scheme should fall into Ofcom's remit as sponsor of the Direction.

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