

Your response

Question	Your response
<p>Question 1: Do you agree that we should amend the guide in the ways suggested? If not, are there any alternative options you think we should consider? Please provide evidence supporting your views, including any research you have conducted or have access to</p>	<p>ISPA members agree that there is a level of support that is required for financially vulnerable customers and are supportive of Ofcom’s current guidance for handling people in debt or at risk of disconnection. Members are very aware that debt can have a significant impact on consumers’ mental health.</p> <p>However, ISPA members would ask Ofcom to publish a clear definition of customers in debt. Customers missing a payment should not automatically signify that they are facing debt or are in financial difficulty, but it can be down to a range of issues. Similarly, the same is often the case when a consumer switches broadband provider to a cheaper tariff. This cannot always be counted as a customer struggling to afford their broadband bill as consumers switch for a wide variety of reasons. Our members believe that, as a result, Ofcom should work with Industry to develop clear guidelines for when a missed payment should signify debt or when it can be viewed as just a missed payment. Failing to accurately identify customers in debt would risk creating market interventions that fail to make a meaningful difference for customers facing real hardship.</p> <p>As the consultation clearly recognises, providers do use a variety of methods to contact customers who are in arrears as well as ensuring that the language used when contacting these customers is simple and easy to understand.</p> <p>Our members also believe that restricting the variety of methods they can use to support their customers, including the vulnerable, could have more of a negative impact. Members are concerned that rigid guidance may risk the ability of ISPs to react quickly and effectively to ensure the customers are getting the right support.</p>

	<p>ISPA members also expressed concern that adding additional requirements to contact customers in debt to Ofcom's guide could overcomplicate the process by adding an unnecessary level of bureaucracy, without any significant added advantage for customers in need of support.</p> <p>We believe that it should not be the sole responsibility of providers to ensure there is awareness of what customers should do if they miss a payment or enter arrears. Responsibility should also be placed on Ofcom, CAB, as well as other external bodies to help support customers who may be about to enter arrears or are in debt.</p>
<p>Question 2: Do you agree that we should amend the guide in the ways suggested? If not, are there any alternative options you think we should consider? Please provide evidence supporting your views, including any research you have conducted or have access to.</p>	<p>The consultation provides evidence showing that 5.3 million adults need debt advice but only 1.7 million access support. However, what the consultation does not identify is whether the debt advice is required to support broadband payments or more general support on managing finances. It would be beneficial before making any significant changes to the current guidance to provide an evidence base specifically for the remit of the guidance</p> <p>With most Providers already signposting the support to consumers who are struggling, the onus should be on the consumer to take this advice and seek support from these services rather than on providers having to add an additional layer of bureaucracy. Similarly, providing this advice more regularly may not support the customer's needs and providers should have a level of discretion for whether this support is useful to the customer.</p> <p>Ofcom needs to provide evidence that demonstrates that routinely including links to free debt advice would make a clear difference to customers who are in arrears to clear these.</p>
<p>Question 3: Do you agree that there should be more consistency in the way in which providers seek to effect payment from customers in debt? If so, how do you believe this could be achieved most effectively? Please provide evidence supporting your views,</p>	<p>Before any changes are made to how providers are advised to seek payments and the penalties for failing, research should be undertaken to look whether this would make a material difference to consumers in supporting them to work with providers to pay off their debt.</p>

<p>including any research you have conducted or have access to</p>	<p>Currently there seems to be no evidence that the current approach is failing and requires significant change to protect vulnerable consumers.</p>
<p>Question 4: Do you agree that we should amend the guide regarding the provision of information about measures to support customers? If not, are there any alternative options you think we should consider? Please provide evidence supporting your views, including any research you have conducted or have access to.</p>	<p>ISPA agree there should be more consistency across the sector for supporting customers in debt.</p> <p>However, ISPA members would be cautious about recommending any form of discussions to encourage consumers to take up a social tariff. Our membership would like to see clear evidence that this would make a difference before Ofcom regulated in this area, particularly as debt can be a transient problem, while a switch to a social tariff would be a permanent intervention.</p> <p>In addition, social tariffs are an area the broadband sector is actively working on but there are significant complexities for many of our members which need to be overcome and Ofcom should not look to regulate in this space until these problems can be resolved by industry. ISPA has been calling on the Government to support industry in the work on social tariffs including a VAT cut to ensure that all ISPs are able to introduce such a tariff. ISPA would express significant concern if Ofcom chose to move into this space before these areas have been resolved.</p>

Please complete this form in full and return to debt.review@ofcom.org.uk.