
Treating vulnerable customers fairly guide

Statement on changes to the guide to help ensure customers in debt or struggling to pay are treated fairly

STATEMENT:

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1. Overview

Making sure people in debt or struggling to pay are treated fairly by their communications provider is a priority for Ofcom. While a relatively small proportion of broadband and mobile customers tend to fall into arrears, debt can be stressful and can have a significant impact on a person's mental health. In the current economic environment, we are mindful that more people may struggle to pay or fall behind on their bills due to rising retail prices and wider pressures on the cost of living.

We already have rules in place – General Conditions – that require providers to treat financially vulnerable customers fairly, including those who find themselves in debt. We also have a [Treating vulnerable customers fairly guide](#) (“the guide”) which suggests good practice measures that providers could adopt, to help make sure they are treating vulnerable customers fairly and delivering good outcomes for those customers.

Following a Call for inputs in July 2021 and a review of the guide, on which we issued a consultation in March 2022, we have decided to strengthen the protections for people in debt or struggling to pay their bills.

What we have decided – in brief

We have decided to amend our Treating vulnerable customers fairly guide to include additional good practice measures that providers should adopt to treat financially vulnerable customers fairly. Our decision focuses on additions to four key areas of our guide. These are:

- **engagement with customers and proactively emphasising the support providers offer:** being aware of the support available from your provider is very important for people in debt or struggling to pay and so providers should tell customers in debt about the support they offer when communicating with these customers. Providers should be proactive in contacting customers in debt or who are struggling to pay, rotating between different communications channels where necessary.
- **strengthening links to the free debt advice sector:** providers should include information about sources of free debt advice in their payment and collection related communications and make it as easy as possible for free debt advice organisations to represent their clients.
- **measures taken by providers to effect payment:** our rules already require providers to be proportionate and non-discriminatory in any measures they take to effect payment or disconnection and to publish details of these measures on their website. In addition, we are adding good practice measures for providers on using service restrictions as a means of effecting payment, using debt collection agencies and transparency for customers about their approach to effecting payment.
- **social tariffs:** social tariffs can help households on low incomes to access affordable broadband. With a significant proportion of households struggling to afford their bills, we have called on providers to offer and promote social tariffs and are adding best practice on this area into our guide. This includes that providers should offer a social tariff and tell customers in debt or struggling to pay about its availability, including the eligibility criteria and how to sign up. Providers could also work

with consumer bodies and charities to promote the availability of their social tariffs.

Summary of our work

- 1.1 In July 2021, we published a Call for inputs to review the measures to protect people in debt or at risk of disconnection¹ in which we analysed provider practices and set out our initial views on how fairer treatment of financially vulnerable people could be achieved. We found that between January 2020 and January 2021 a relatively small proportion of customers were in arrears, that the proportion of customers disconnection for non-payment was relatively low but that total customer debt levels had increased.
- 1.2 After considering responses to this publication, we decided not to amend our General Conditions regarding debt and disconnection or the fair treatment of financially vulnerable customers. These rules offer important protections to customers and we did not see a strong case to amend them, but we recognised that it may be necessary to re-assess this approach in the future should we identify any concerns. We did however decide there would be value in adding good practice regarding the fair treatment of vulnerable customers in debt or struggling to pay to the guide.
- 1.3 To this effect we published a consultation in March 2022 with proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly.² We received 27 responses from a range of respondents, including communications providers, consumer bodies, debt advice organisations and other organisations. We have carefully considered all responses in finalising the changes to our guide and have published all non-confidential responses in full on our website.³
- 1.4 In this document we provide a summary of the submissions received, as well as our responses to key points, grouped by topic. We have decided to amend the guide to include additional good practice for providers in four areas: engagement with customers and emphasising provider support, strengthening links to the free debt advice sector, taking measures to effect payment and social tariffs. The revised guide is published separately to this document.⁴

Our next steps

- 1.5 We have issued a revised version of the guide that comes into effect on 29 September 2022. We expect providers to consider our new guide additions, as well as the guide as a

¹ See: Ofcom, 22 July 2021. [Review of measures to protect people in debt or at risk of disconnection. Call for inputs.](#)

² Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly.](#)

³ For the consultation responses, see: Ofcom. [Consultation: treating vulnerable customers fairly guide – proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly.](#)

⁴ See: Ofcom, 29 September 2022. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers \(updated 2022\).](#)

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whole, as they develop and evaluate their policies and procedures that impact financially vulnerable customers. We will continue to closely monitor this area and review our approach when necessary.

2. Background and legal framework

- 2.1 Making sure customers, especially people in vulnerable circumstances are treated fairly is one of our strategic priorities.⁵ We are conscious that affordability issues for customers are becoming increasingly difficult due to wider cost of living pressures and rising retail prices. Communications services such as phone, broadband and pay TV play an important role in people’s daily lives. However, the economic situation means that increasing numbers of customers may find they struggle to pay their communications bills or miss payments and fall into debt.
- 2.2 Debt can be stressful and can have a significant impact on a person’s mental health. It is therefore particularly important that people in debt, or who are struggling to pay their communications bill, are treated fairly by their communications provider.

Legal framework

- 2.3 Our principal duty under section 3(1) of the Communications Act 2003 (“the Act”) is to:
- further the interests of citizens in relation to communications matters; and
 - further the interests of consumers in relevant markets, where appropriate by promoting competition.
- 2.4 In performing our duties, we must have regard to a range of different issues. Of particular relevance to our work on debt and disconnection are the needs of persons with disabilities, of the elderly, and of those on low incomes.⁶ In this regard, we have powers to set General Conditions of Entitlement (“General Conditions” or “GCs”) which specifically include conditions making provision to protect the interests of consumers.⁷
- 2.5 To fulfil our duties, we already have rules in place that cover how customers are treated when they have not paid their bills. Firstly, our General Conditions place obligations on communications providers (“providers”) to ensure that any measures they take to effect payment or disconnect services are proportionate and not unduly discriminatory (GC C3.11). Providers must also publish details of the measures they may take to obtain payment or disconnection, where a customer has not paid all or part of a bill (GC C3.12).
- 2.6 In addition, we have rules requiring the fair treatment of vulnerable customers. The General Conditions C5.1-5.5, require providers to have policies and procedures in place to make sure vulnerable customers are treated fairly.

⁵ In this document, we refer to people whose circumstances have led them to becoming vulnerable as ‘vulnerable customers’. We recognise that organisations use a range of different terminology and some people might not like to be labelled as a vulnerable customer. However, the term is well-recognised among communications providers and allows us to discuss the topic openly and clearly, so we can seek improvements in the communications sector.

⁶ Section 3(4)9i) of the Act.

⁷ Section 51(1)(a) of the Act.

Treating vulnerable customers fairly guide

- 2.7 In addition to those rules, our Treating vulnerable customers fairly guide, first published in 2020, suggests measures providers could adopt to ensure the fair treatment of vulnerable customers in a range of areas, including financially vulnerable people. This includes people who are facing problem debt or who are struggling to pay.⁸
- 2.8 The guide sets out that providers should recognise that customers who are in arrears are likely to be vulnerable and encourages providers to take extra measures to make sure customers in debt or customers struggling to meet their regular payments are treated fairly. This includes, where possible, not disconnecting customers as disconnection is a serious step that should only be used as a last resort.
- 2.9 The guide sits alongside Ofcom’s Fairness for Customers commitments, developed to strengthen how companies treat their customers. All of the UK’s biggest providers have signed up to these commitments.⁹

Our July 2021 Call for inputs indicated that the guide could be strengthened

- 2.10 In July 2021, we published a Call for inputs “Review of measures to protect people in debt or at risk of disconnection”¹⁰ (“Call for inputs”), setting out evidence from various sources about debt and disconnection practices used by providers, our analysis of that evidence, and resulting suggestions.
- 2.11 We found the following:
- a) Providers generally communicate in a timely way after a customer goes into arrears. However, there is variation in how providers contact customers regarding their debt and in how they allow customers in arrears to contact them.
 - b) While providers generally only use disconnection as a last resort, there is considerable variation in the amount of time that providers allow a customer to remain in arrears before they are disconnected. We also observed differences in the approach that providers take to introducing service restrictions as a means of effecting payment, and in referring customers to external debt collection agencies.
 - c) All major providers offer payment deferrals to customers struggling to pay, and most offer payment plans for people to repay their debt over an agreed period. However, some providers make it easier than others for their customers to find out about the options and support available to them.

⁸ The guide does not amend or replace providers’ previous regulatory obligations or introduce new rules and the suggested measures do not constitute legal advice on how to comply with the General Conditions.

⁹ Ofcom, [Fairness for customers](#).

¹⁰ Ofcom, 22 July 2021. [Review of measures to protect people in debt or at risk of disconnection. Call for inputs](#).

2.12 Based on these findings, we considered the fair treatment of customers could be strengthened by setting good practice recommendations in the guide for providers regarding further practical measures they could adopt to treat financially vulnerable customers fairly.

In March 2022, we consulted on changes to the guide to recommend good practice measures

- 2.13 In March 2022, we published a consultation “Treating vulnerable customers fairly guide – proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly” (“consultation”), proposing specific changes to the guide. Our consultation proposed the following amendments to our guide:
- a) We proposed to amend our guide with the expectation that providers should emphasise the support available when communicating with customers in debt or struggling to pay; become more effective in making contact with people in debt or who are struggling to pay and rotate between communication channels where necessary to help achieve this. We also proposed to add to our guide that providers should proactively give information to customers about the support they can offer them should they enter debt, such as payment deferrals and payment plans.
 - b) We proposed to amend our guide with the expectation that providers should include clear and prominent information about sources of free debt advice in their payment and collection related communications to customers in arrears and make it as easy as possible for free debt advice organisations to represent their clients.
 - c) We proposed to add to our guide that providers should avoid or limit the use of service restrictions as a means of effecting payment where possible, use a phased approach to service restrictions and use debt collection companies that have strong policies for treating vulnerable customers fairly. Provider should ensure customers can easily find out what measures to expect at what stages of the debt journey.
 - d) We proposed to add to our guide that offering a social tariff represents an important way in which providers can help ensure the fair treatment of financially vulnerable customers. Providers should pro-actively inform customers who are in debt or struggling to pay about their social tariff, the eligibility criteria and how to sign up for it as well as work with consumer bodies and charities to promote the availability of social tariffs.
- 2.14 The consultation closed on 12 May 2022. We received 27 responses from a range of respondents to the consultation, including providers, industry bodies and consumer bodies. We have published all non-confidential responses on our website.
- 2.15 We carefully considered all the responses we received and are now implementing specific changes to the guide. This document provides a summary of the key points raised by

respondents, our consideration of these representations and our decision. We have set out the resulting guide changes in Annex to this document. In addition, we have updated the guide to reflect changes to the General Conditions that have occurred since its original publication. We have published an updated revised guide in full as a separate document.¹¹

Equality impact assessment

- 2.16 Ofcom is required to consider any potential impact our proposals might have on particular groups. In light of this requirement, we have given careful consideration to whether our approach of amending the guide will have a particular impact on persons sharing protected characteristics¹², and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations. This assessment helps us comply with our duties under the Equality Act 2010 and the Northern Ireland Act 1998.¹³
- 2.17 We do not consider that the changes we are making to the guide would result in any negative impact on any protected groups. Moreover, because our changes to the guide aim to improve provider practices for treating all customers in debt or struggling to pay, we think these changes can lead to improvements for those identified as being more likely to experience these issues, including the subgroups that have protected characteristics: certain ethnic minority groups¹⁴, younger age groups¹⁵ and disabled people.¹⁶ On this basis, we consider that our changes to the guide will positively impact equality based on race, age and disability.

Ofcom's work on the affordability of communications services

- 2.18 Alongside this statement, we are also publishing an updated report on our affordability work in two parts.
- a) An Affordability of communications services report¹⁷, on social tariffs for fixed broadband. The report provides an update on the availability and take-up of social tariffs. It also introduces new research on barriers to broadband social tariff take-up

¹¹ Ofcom, 29 September 2022. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers \(updated 2022\)](#).

¹² broadly including race, age, disability, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership and religion or belief in the UK and also dependents and political opinion in Northern Ireland.

¹³ Further detail is set out in section 149 of the Equality Act 2010 and section 75 of the Northern Ireland Act 1998.

¹⁴ See: Ofcom, 22 July 2021. [Affordability of communications Services: summary of findings](#). This report indicated that decision-makers who were Black or Asian were more likely than average to experience an affordability issue.

¹⁵ See: Ofcom, 18 December 2020. [Affordability of communications services. A summary of initial findings](#). Ofcom, 22 July 2021. [Affordability of communications Services: summary of findings](#). Both reports found that age was a factor for affordability issues. Twenty-nine percent of decision makers aged 18-24 were found to have an affordability issue in 2020, which was roughly the same in 2021 (25%).

¹⁶ See: Ofcom, 18 December 2020. [Affordability of communications services. A summary of initial findings](#). Ofcom, 22 July 2021. [Affordability of communications Services: summary of findings](#). Both reports found that those with an impacting or limiting condition were more likely than average to face affordability issues.

¹⁷ Ofcom, 29 September 2022. [Affordability of Communications Services](#)

and research which explores the demographics of eligible customers to identify groups that are most in need of help.

- b) Key findings of the July 2022 wave of the Ofcom Communications Affordability Tracker, published with an interactive data set on our website.¹⁸ The summary shows communications affordability issues continuing to trend upwards, with affordability issues now at their highest levels since the research began in June 2020.

Rest of this document

2.19 In the next sections, we set out our decision to amend the guide.

- a) **Section 3** covers our decision on the value of our guide, the use of further regulation and the scope of our guide section on debt;
- b) **Section 4** covers our decision on engagement and communication with customers in debt or struggling to pay and emphasis on provider support;
- c) **Section 5** covers our decision on strengthening links with organisations and charities that can provide free debt advice and support;
- d) **Section 6** covers our decision on measures taken by providers to effect payment;
- e) **Section 7** covers our decision on social tariffs; and
- f) **Annex 1** sets out the guide changes we are implementing as a result of our decisions.

Next steps

2.20 The new version of the guide comes into effect on 29 September 2022.

2.21 We will continue to monitor a range of indicators on the experience of customers in debt or struggling to pay, using a range of sources of information. For example, we plan to publish indicators on levels of debt and disconnection in the sector in our pricing trends for communications services research going forward and we will continue to monitor the implementation of the guide, recognising that providers will require some time to reflect the changes to the guide.

¹⁸ Ofcom, 29 September 2022. [Communications Affordability Tracker](#)

3. Value of amending the guide and the scope of our guide review

3.1 This Section covers our general approach to amending the guide and the scope of our guide review. It summarises the responses we received relating to these areas, including which customers we are aiming to better protect with our guide changes, and sets out our decision in light of these responses.

Consultation proposal

3.2 In our consultation we stated our view that using a good practice guide rather than imposing new regulation is currently the right approach to improve treatment for customers in debt or who have difficulty paying. We stated that this is an appropriate and proportionate way forward which gives providers the flexibility in how they achieve fair treatment of vulnerable customers, and that ultimately our focus is on outcomes that are delivered for vulnerable customers rather than the precise means by which those outcomes are achieved.¹⁹

3.3 We added that we will continue to monitor the extent to which providers treat financially vulnerable customers fairly and give them the support they need and that it may be necessary to re-assess our approach, including possible amendments to the General Conditions, should we identify concerns about this area in future.

3.4 As part of our consultation, we also suggested an editorial change to the guide heading relating to customers in debt from “Act fairly when a customer is facing problem debt” to “Act fairly when a customer is in debt or struggling to pay”. Respondents also commented on which customers should be supported by providers and correctly identifying financially vulnerable customers. We also cover these aspects below.

Summary of responses

Value of amending the guide

3.5 The Communications Consumer Panel and Advisory Committee for Older and Disabled people (CCP/ACOD)²⁰, Zen²¹, Vodafone²², Christians Against Poverty (CAP)²³, Internet

¹⁹ See Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 8, para 3.18.

²⁰ CCP/ACOD response to March 2022 consultation, page 1.

²¹ Zen response to March 2022 consultation, page 1.

²² Vodafone response to March 2022 consultation, page 2.

²³ CAP response to March 2022 consultation, page 1.

Service Providers' Association (ISPA)²⁴, Citizens Advice Scotland²⁵, Three²⁶, Verastar²⁷ and Ofcom's Advisory Committee for Northern Ireland (the ACNI)²⁸ agreed with our proposal to strengthen the guide in the round.

- 3.6 Five further respondents expressed support for our proposal to amend the guide but qualified their response.
- a) Ofcom's Advisory Committee for Scotland (the ACS)²⁹ and BT Group ("BT")³⁰ added there is a need for flexibility to tailor the provider approach to the customer's individual circumstances.
 - b) Which?³¹, StepChange Debt Charity ("StepChange")³², and the Money and Mental Health Policy Institute³³ added that the guide must be supported by robust monitoring and that Ofcom should make it clear that it will turn to regulation if practice and outcomes for customers fall short of the guide expectations.
- 3.7 Some respondents suggested a guide did not go far enough and asked for regulation instead.
- a) Citizens Advice³⁴, the Consumer Council³⁵ and the Money Advice Trust³⁶ asked for regulation, asserting there is not enough consistency in the approaches taken by providers so consumers do not get same level of care and protection across the market.
 - b) Citizens Advice³⁷ and the Consumer Council³⁸ were of the view that regulation would better protect consumers. Citizens Advice added that Ofcom can no longer rely on the market to resolve poor provider practice and that clear enforcement action is needed when providers fail to meet expectations.³⁹
- 3.8 Virgin Media O2 stated that there is no justification for regulation.⁴⁰ Sky⁴¹ welcomed the proposal not to change our General Conditions⁴², but asserted that guide changes are

²⁴ ISPA response to March 2022 consultation, page 1.

²⁵ Citizens Advice Scotland response to March 2022 consultation, page 1.

²⁶ Three response to March 2022 consultation, page 1.

²⁷ Verastar response to March 2022 consultation, page 1.

²⁸ ACNI response to March 2022 consultation, page 1.

²⁹ The ACS response to March 2022 consultation, page 2.

³⁰ BT response to March 2022 consultation, page 1.

³¹ Which? response to March 2022 consultation, page 1.

³² StepChange response to March 2022 consultation, page 1.

³³ Money and Mental Health Policy Institute response to March 2022 consultation, page 4.

³⁴ Citizens Advice response to March 2022 consultation, page 4.

³⁵ The Consumer Council response to March 2022 consultation, page 6.

³⁶ Money Advice Trust response to March 2022 consultation, page 4.

³⁷ Citizens Advice response to March 2022 consultation, page 6.

³⁸ The Consumer Council response to March 2022 consultation, pages 6-7.

³⁹ Citizens Advice response to March 2022 consultation, page 4.

⁴⁰ Virgin Media O2 response to March 2022 consultation, page 3.

⁴¹ Sky response to March 2022 consultation, page 2.

⁴² This is a reference to the Ofcom General Conditions of Entitlement.

unnecessary, will have a material effect on providers and that the provider approach has to be nuanced, flexible and focus on assessing an individual customer's circumstances.⁴³

Scope of our guide section on debt

- 3.9 We received responses on the scope of our guide section on debt, and two related issues:
- a) which customers should be supported by providers; and
 - b) correctly identifying financially vulnerable customers.
- 3.10 Two respondents were supportive of our approach regarding which customers should be supported. Citizens Advice⁴⁴ welcomed the fact that Ofcom recognised that customers in arrears are likely to be vulnerable and the CCP/ACOD⁴⁵ welcomed the inclusion of a reference to those who are struggling to pay in the guide.
- 3.11 Four respondents expressed concern about the scope of our guide section on debt, with some saying it is too broad or that not everyone who misses a payment is financially vulnerable. They said that missing a payment can be caused by a range of reasons that are not related to a customer being vulnerable or in financial difficulty. They added further detail about their concerns.
- a) Virgin Media O2 expressed concern about our proposal to broaden the scope of the guide to those "struggling to pay". It queried whether a "broad-brush approach" to who should be supported and protected is the correct approach, and pointed to the challenge in correctly identifying those customers who may be struggling to pay before they enter debt.⁴⁶
 - b) Sky said that treating everyone who misses a payment as financially vulnerable is an oversimplification with disproportionate consequences for providers, poor customer outcomes and those who need the support the most not being focussed on.⁴⁷
 - c) Hyperoptic added that providers should not be given the disproportionate burden of proactively identifying vulnerability or resolving underlying issues causing financial vulnerability.⁴⁸
 - d) ISPA commented that some of its members want Ofcom to work with providers to create clear definitions of the situations that would classify customers as vulnerable or financially vulnerable.⁴⁹

⁴³ Sky response to March 2022 consultation, page 2.

⁴⁴ Citizens Advice response to March 2022 consultation, page 10.

⁴⁵ CCP/ACOD response to March 2022 consultation, page 4.

⁴⁶ Virgin Media O2 response to March 2022 consultation, page 2.

⁴⁷ Sky response to March 2022 consultation, page 4.

⁴⁸ Hyperoptic response to March 2022 consultation, page 1.

⁴⁹ ISPA response to March 2022 consultation, page 1.

Our decision

3.12 We have decided to proceed with amending our guide sections that are particularly relevant for customers in debt or struggling to pay, and to retain the scope of our guide section on debt as planned in our consultation. We set out the reasons for these decisions below and will discuss the detailed changes we are making to our guide in Sections 4-7 of this document.

On the value of amending the guide

- 3.13 In relation to the responses we received about the principle of amending our guide rather than using further regulation, we note the following.
- a) We already have rules contained in our General Conditions regarding debt and disconnection and regarding the fair treatment of vulnerable customers. These rules offer important protections to customers and we do not see a strong case to amend them at this time.
 - b) We remain of the view that having a guide alongside the General Conditions helps to show how good outcomes can be achieved and encourages innovation and ambition in this area. We consider that amending our guide is an appropriate response that continues to allow providers to be flexible in how they respond to individual customer needs.
 - c) We also remain of the view that achieving more consistency in outcomes for customers is more important than achieving consistency in precisely how providers operate. We expect that amendments to our guide should lead to an increase in implementation of good practice throughout the sector and ensure better outcomes for customers on a more consistent basis.
 - d) Fair treatment of customers does not mean that we expect a uniform approach across the market. As our guide already recognises, customers are most effectively supported when a provider takes into account their individual circumstances, rather than using a one size fits all approach.
 - e) We agree with respondents that our guide should be supported by monitoring of outcomes. We will continue to monitor a range of indicators on the experience of customers in debt or struggling to pay, using a range of sources of information. For example, we plan to publish indicators on levels of debt and disconnection in the sector in our pricing trends for communications services research going forward⁵⁰ and

⁵⁰ See: Ofcom, [pricing trends for communications services](#).

we will continue to monitor the implementation of the guide⁵¹, recognising that providers will require some time to reflect the changes to the guide.

- f) We will continue to work with providers to ensure they treat vulnerable customers fairly and will take steps to address concerns where this may not be happening.
- 3.14 The existence of our guide does not preclude the possibility of regulatory action in future should that be necessary to address our concerns.
- 3.15 We disagree with the suggestion that our guide does not have to be changed or that changing it would not benefit customers in debt or struggling to pay. The reasons for our position on this are twofold:
- a) Updating the guide reflects the value of having a guide alongside our General Conditions (as explained in paragraph 3.13 b above). We expect updated good practice in our guide to encourage innovation and ambition in our sector and to become more embedded over time, leading to better outcomes for customers.
- b) Updating the guide with specific amendments about the fair treatment of customers in debt or struggling to pay ensures it incorporates the latest good practice to benefit those customers. Whilst we welcome the positive steps individual providers have already taken, for example during the pandemic, we want to use our guide to share recent good practice in this area more widely with all providers. This helps providers make better informed decisions about their approach to customers in debt or struggling to pay whilst being flexible in how they respond to individual customer needs.

The scope of our guide section on debt

- 3.16 We think that it is appropriate that our guide section on debt and its scope should cover customers struggling to pay as well as customers in debt as this reflects that our good practice recommendations relate to both groups. In addition, we note that our existing guide already contains a reference to ensuring “customers in debt or customers struggling to meet their regular payments” are treated fairly.⁵²
- 3.17 We note the concerns about identifying and distinguishing between those customers who are in genuine financial difficulty and those who are not. Our existing guide acknowledges this challenge and suggests providers should emphasise the full range of extra help, support and services they offer to customers, recognise that customers in arrears are likely to be vulnerable and seek to understand their customer’s financial situation and ability to

⁵¹ We already monitor the guide implementation through a range of tools, including engagement with providers about their performance and market research. For example: Ofcom, [Fairness for Customers commitments](#) and Ofcom, [Contacting communications providers: vulnerable customers’ experience](#).

⁵² See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 22-24.

pay.⁵³ This approach of raising awareness about support, combined with efforts to be responsive to vulnerable circumstances⁵⁴ should mean that those who genuinely need support will receive it. Our guide already reflects our position and acknowledges the challenges faced by providers and therefore we are not making further amendments on these points.

⁵³ See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 22, para 4.52, page 12, para 4.5 and page 23, para 4.54.

⁵⁴ See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 16, para 4.19.

4. Engagement with customers and emphasis on provider support

4.1 This Section covers our consultation proposals about good practice on emphasising provider support for customers in debt or struggling to pay, and our proposed amendments about the use of communication channels. It summarises the responses we received on those proposals and sets out our decision in light of these responses.

Consultation proposal

4.2 We proposed to amend our guide to add to the list of steps providers should take before considering disconnection.⁵⁵

4.3 We proposed to amend the existing introduction when talking about disconnection.

- a) The original guide text read: “Providers should, wherever possible, prevent customers from being disconnected. Disconnection is a serious step that should only be used as a last resort and we suggest several steps to be taken before it is considered.”
- b) We proposed to change it to: “Providers should, wherever possible, prevent customers from being disconnected. Disconnection is a serious step that should only be used as a last resort and providers should take several steps before it is considered:”

4.4 We proposed to add a new step to the guide for providers:

- a) “Proactively emphasise the provider support available for customers in debt (such as payment deferrals or payment plans) in direct payment and debt related communications with customers and with debt advice organisations acting on their behalf. Providers should also ensure that information about the support available to customers can easily be found on their websites.”

4.5 We proposed to amend an existing step in the guide to reflect additional good practice:

- a) The original guide text read: “Use a range of communication channels when contacting a customer about their debt (including their preferred method of communication) before taking any follow-up action, including enforcement or debt recovery.”
- b) We proposed to change it to: “Take account of the customer’s preferred communication channel when contacting a customer about their debt.^{Footnote1} If a customer in debt has not expressed a preference or if they are not responding, use a range of communication channels before taking any follow-up action, including

⁵⁵ See Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 40.

enforcement and debt recovery. Rotate^{Footnote2} between communication channels to increase the chance of reaching the customer.”

“Footnote1 As set out at 4.12-4.13 of this guide.”

“Footnote2 In doing so, providers will need to ensure they comply with their obligation under the Privacy and Electronic Communications (EC Directive) Regulations 2003.”

Summary of responses

General responses

4.6 BT⁵⁶, Verastar⁵⁷, the ACNI⁵⁸, Capita⁵⁹, the ACS⁶⁰ and the CCP/ACOD⁶¹, Ombudsman Services and Vodafone⁶² agreed with our guide proposals in this area in the round. Some respondents explained their view:

- a) BT stated it found our proposals strike the right balance and are not too prescriptive.⁶³
- b) The CCP/ACOD added that providers should enable consumers to be clear on what is due to happen, when and how to prevent further action.⁶⁴

4.7 We also received more detailed responses about our guide proposals, as well as additional suggestions about engagement with customers in debt and emphasising support. Below we summarise these responses by theme.

Emphasising the support available to customers and ensuring this information is easy to find on websites

4.8 Various respondents expressed support for our amendments to emphasise the support available to customer in debt or struggling to pay.

- a) Ombudsman Services⁶⁵, StepChange⁶⁶ and Citizens Advice Scotland⁶⁷ agreed that emphasising the support and advice that providers can offer is important.

⁵⁶ BT response to March 2022 consultation, page 1.

⁵⁷ Verastar response to March 2022 consultation, page 1.

⁵⁸ The ACNI response to March 2022 consultation, page 1.

⁵⁹ Capita response to March 2022 consultation, page 1.

⁶⁰ The ACS response to March 2022 consultation, page 4.

⁶¹ Ombudsman Services response to March 2022 consultation, page 1.

⁶² Vodafone response to March 2022 consultation, page 2.

⁶³ BT response to March 2022 consultation, page 2.

⁶⁴ The CCP/ACOD response to March 2022 consultation, page 5.

⁶⁵ Ombudsman Services response to March 2022 consultation, page 1.

⁶⁶ StepChange response to March 2022 consultation, page 1-2.

⁶⁷ Citizens Advice Scotland response to March 2022 consultation, page 3.

- b) Citizens Advice⁶⁸, the Consumer Council⁶⁹, Citizens Advice Daventry and District⁷⁰ and the Money and Mental Health Policy Institute⁷¹ agreed with the importance of emphasising this support in all direct communications about payment, with the latter citing research showing that people with mental health problems often delay getting in touch with their provider as they are unaware of the support available.
- 4.9 There was some disagreement amongst respondents on consistency and the level of detail providers should give about the support they offer to customers in debt or struggling to pay.
- a) StepChange said that in addition to emphasising support being important, providers also have to provide detail about the support available.⁷²
- b) Citizens Advice Scotland asked for a more consistent approach on information provision by providers and clear provider policies so customers and debt advice organisations know what to expect.⁷³
- c) BT said that Ofcom should not be too prescriptive on what providers have to publish.⁷⁴
- d) Virgin Media O2 emphasised that it would not be correct to prescribe the amount of information providers should give in the guide as standardising the amount and nature of the information provided can lessen the impact on customers.⁷⁵
- 4.10 The Money and Mental Health Policy Institute suggested Ofcom could additionally recommend that the information about support is prominently displayed in bills, as this makes communications less threatening and encourages customers to seek help.⁷⁶ It also strongly welcomed our proposal to ensure information about support is easy to find on websites.⁷⁷
- 4.11 Virgin Media O2 expressed some concern that emphasising support is not appropriate if the customer is not in financial hardship, that a provider cannot take a supportive approach if a customer does not communicate with them and that the need for customers to do this should be recognised as a key part of the process.⁷⁸

⁶⁸ Citizens Advice response to March 2022 consultation, page 11.

⁶⁹ The Consumer Council response to March 2022 consultation, page 7.

⁷⁰ Citizens Advice Daventry and District response to March 2022 consultation, page 1.

⁷¹ Money and Mental Health Policy Institute response to March 2022 consultation, page 2.

⁷² StepChange response to March 2022 consultation, page 1.

⁷³ Citizens Advice Scotland response to March 2022 consultation, page 5.

⁷⁴ BT response to March 2022 consultation, page 2.

⁷⁵ Virgin Media O2 response to March 2022 consultation, page 6.

⁷⁶ Money and Mental Health Policy Institute response to March 2022 consultation, page 2.

⁷⁷ Money and Mental Health Policy Institute response to March 2022 consultation, page 2.

⁷⁸ Virgin Media O2 response to March 2022 consultation, page 2.

Taking account of the customer's preferred communication channel

4.12 Various respondents supported our proposals to take account of the customer's preferred communication channel and rotating between communication channels to increase the chance of reaching customers:

- a) Which?,⁷⁹ the Consumer Council⁸⁰ and Virgin Media O2⁸¹ agreed with our suggestion about rotating between communication channels.
- b) Citizens Advice⁸², the Money and Mental Health Policy Institute⁸³, Citizens Advice Scotland⁸⁴ and CAP⁸⁵ welcomed that this approach would be balanced with taking account of a customer's stated communication preferences.

4.13 Several respondents had additional comments about the range of communication channels providers offer customers who need to contact them:

- a) Which? criticised that some providers do not offer real time communications options and others only offer single or very limited "non-real time" options. It said that as a result the current Ofcom approach does not meet customer needs as it has not achieved a scenario where all providers are offering customers a wide range of contact options.⁸⁶
- b) Citizens Advice illustrated the importance of telephone calls with an example of a customer struggling to reach their provider because it did not take telephone calls.⁸⁷
- c) The Consumer Council⁸⁸, the CCP/ACOD⁸⁹ and Citizens Advice Scotland⁹⁰ said that customers should be allowed to use any communication channel they prefer.
- d) Citizens Advice Scotland asserted that being online should never be a requirement for getting support.⁹¹

⁷⁹ Which? response to March 2022 consultation, page 3.

⁸⁰ The Consumer Council response to March 2022 consultation, page 7.

⁸¹ Virgin Media O2 response to March 2022 consultation, page 4.

⁸² Citizens Advice response to March 2022 consultation, page 12.

⁸³ Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

⁸⁴ Citizens Advice Scotland response to March 2022 consultation, page 3.

⁸⁵ CAP response to March 2022 consultation, page 6.

⁸⁶ Which? response to March 2022 consultation, page 3.

⁸⁷ Citizens Advice response to March 2022 consultation, page 12.

⁸⁸ The Consumer Council response to March 2022 consultation, page 7.

⁸⁹ The CCP/ACOD response to March 2022 consultation, page 5.

⁹⁰ Citizens Advice Scotland response to March 2022 consultation, page 3.

⁹¹ Citizens Advice Scotland response to March 2022 consultation, page 3.

Additional suggestions about engagement with customers in debt and emphasising support

- 4.14 Several respondents expressed concern about the guide reference to the use of the Standard Financial Statement⁹² to assess a customer's ability to pay.
- a) Community Fibre⁹³ and INCA⁹⁴ asserted that providers cannot use the Standard Financial Statement and that the guide should therefore not encourage them to do so but should instead refer customers to appropriate agencies who can complete it.
 - b) CAP identified challenges for providers in using the Standard Financial Statement, e.g. providers would have to know when it is appropriate to use it and what level of information to ask from the customer.⁹⁵
 - c) The Money Advice Trust found it was not used by providers and that customers are as a result sometimes given an arbitrary payment plan rather than one based on their ability to pay.⁹⁶
- 4.15 The Consumer Council suggested providers should keep a detailed record of engagement with customers as this would help Ofcom monitor how/if providers are taking appropriate engagement steps and increase transparency and accountability in the sector.⁹⁷
- 4.16 CAP emphasised the importance of choosing the best strategy to sensitively engage a customer based on the understanding the provider has of a customer's circumstances. It made various other suggestions about taking into account individual circumstances for communicating with customers in debt or struggling to pay.⁹⁸
- 4.17 StepChange explicitly requested that our guide provisions on engaging and communicating with customers and emphasising support be monitored closely.⁹⁹ Similarly, Which? asked for detail on how the guide provisions in this area will be monitored.¹⁰⁰

⁹² The Money Advice Service explains the Standard Financial Statement as: "a tool used to summarise a person's income and outgoings, along with any debts they owe. Primarily for people seeking debt advice, the Standard Financial Statement is mainly used by debt advice providers and other relevant organisations. It provides a single format for financial statements, allowing the debt advice sector and creditors to work together to achieve the right outcomes for people struggling with their finances." See: Money Advice Service. [Introducing the Standard Financial Statement](#).

⁹³ Community Fibre response to March 2022 consultation, page 2-3.

⁹⁴ INCA response to March 2022 consultation, page 2.

⁹⁵ CAP response to March 2022 consultation, page 5-6.

⁹⁶ Money Advice Trust response to March 2022 consultation, page 5-6.

⁹⁷ The Consumer Council response to March 2022 consultation, page 8.

⁹⁸ Such as including contact methods that have worked previously; the cumulative effect and volume of communications; previous touchpoints; the time of day when the customer is more likely to engage; their least preferred communication method. See CAP response to March 2022 consultation, page 4.

⁹⁹ StepChange response to March 2022 consultation, page 2.

¹⁰⁰ Which? response to March 2022 consultation, page 3.

Our decision

The guide changes we are implementing

- 4.18 Given the broad agreement with our suggested guide proposals for this area as well as the specific support for various aspects of our proposals¹⁰¹ we will implement our proposed changes to our guide as they are beneficial for the fair treatment of vulnerable customers. However, in light of specific comments from respondents and to benefit customers in debt or struggling to pay, we are making the following adjustments to our original proposals, as well as making some small editorial changes to improve readability¹⁰²:
- a) Ensure we do not give the impression that providers are expected to be able to complete a Standard Financial Statement, but rather that they should take note of it where it exists.
 - b) Add that information on support with payments should be prominently displayed in bills, as it makes communications seem less threatening and can encourage help-seeking behaviour.
 - c) Adjust the reference to direct communications to make it clearer what the intention is.
 - d) Add that providers contacting a customer in debt should take into account not just the customer's preferred communications channel, but also the customer's circumstances where this would be appropriate, as this increases the chances of reaching the customer.
- 4.19 The guide changes we will implement as a consequence of this approach are set out below as amendments to the proposal we consulted upon, highlighted yellow for additions and strikethrough for deletions.
- a) We will amend the footnote referring to the Standard Financial Statement to read:
“~~Providers could consider using the Standard Financial Statement to assess a customer's ability to pay.~~ A Standard Financial Statement completed by a free debt advice organisation or other relevant organisation can help providers with this task. See: Money Advice Service. [What is the Standard Financial Statement?](#).”
 - b) “Providers should, wherever possible, prevent customers from being disconnected. Disconnection is a serious step that should only be used as a last resort and providers should take several steps before it is considered:
 - Proactively **and prominently** emphasise the provider support available for customers in debt (such as payment deferrals or payment plans) in direct

¹⁰¹ On emphasising the support available to customers and ensuring information about support is easy to find on providers' websites.

¹⁰² Our Guide pen picture illustration about a customer in debt (Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 42, para 4.59) does not require further amendment in light of any of these adjustments.

communications about payment and/or debt relating communications with customers and with debt advice organisations acting on their behalf. Providers should also ensure that information about the support available to customers can easily be found on their websites.

- When contacting a customer about their debt, take account of the customer's circumstances where appropriate as well as their preferred communication channel when contacting a customer about their debt^{footnote1}. If a customer in debt has not expressed a preference or if they are not responding, use a range of communication channels before taking any follow-up action, including such as enforcement and debt recovery. Rotate^{footnote2} between communication channels to increase the chance of reaching the customer.^{Repositioned footnote2}

Footnote1: As set out at 4.12-4.13 of this guide.

~~Footnote 2: In doing so, providers will need to ensure they comply with their obligations under the Privacy and Electronic Communications (EC Directive) Regulations 2003.~~

Repositioned Footnote 2: In doing so, providers will need to ensure they comply with their obligations under the Privacy and Electronic Communications (EC Directive) Regulations 2003."

Our response to other suggestions from respondents

Emphasising the support available to customers and ensuring this information is easy to find on websites

- 4.20 We agree that it is important that customers in difficulty communicate with their provider as highlighted by Virgin Media O2 above. Our guide is aimed at good practice for providers. We have information on our website setting out recommendations for individual customers who find themselves in debt or who struggle to pay, and this information very much recognises the importance of getting in touch with your provider.¹⁰³ We think keeping the guide focused on good practice for providers whilst we cover recommendations for customers elsewhere remains the correct approach.

Taking account of the customer's preferred communication channel

- 4.21 Regarding the challenges customers face with the range of communication channels used by providers, our guide already sets out that the good practice we expect from providers is that they offer a range of communication channels which reflect the needs of their customers. Our guide suggests these should include, where appropriate, telephone, post,

¹⁰³ See: Ofcom. [Unable to pay a bill?](#)

email, webchat and video and text relay.¹⁰⁴ We consider that at this point in time, this is sufficiently clear.

Additional suggestions about engagement with customers in debt and emphasising support

4.22 It is important that providers emphasise that they offer support to customers in debt or struggling to pay in all payment related information so that all customers are made aware of the support available in the event they were to struggle to pay their bills. We also see the benefit of providers retaining the ability to tailor their approach to best address individual customers' circumstances. To balance these two objectives, our guide focuses on the aims of communications with customers, i.e. emphasising support available and taking account of the customer's circumstances where appropriate. We note some respondents make more detailed suggestions, e.g. about the various customer circumstances that might come into play. However, we are of the view that our approach of not specifying these details is the most proportionate approach at this point in time.

4.23 Monitoring our guide in this area will be done in line with our general approach to monitoring the guide, as explained in **paragraph 3.13 e)** above.

¹⁰⁴ Ofcom, 23 July 2020. [*Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers*](#), p 14, para 4.12.

5. Strengthening links to the free debt advice sector

5.1 This Section covers our consultation proposals about good practice regarding signposting sources of free debt advice and about making representation of clients by free debt advice organisations easier. It summarises the responses we received and sets out our decision in light of these responses.

Consultation proposal

5.2 We proposed to amend our guide to add to the list of steps providers should take before considering disconnection¹⁰⁵:

5.3 We proposed to add the following steps:

- a) “Include information about where customers can access free debt advice in payment and collection related communications, recognising that not all debt advice organisations operate across the whole of the UK. This information should be clear and easy to find.”
- b) “Make it as easy as possible for free debt advice organisations, subject to any reasonable verification and consent procedures, to represent their clients, for example through a direct way to contact the provider. Providers could make all customer agents aware that customers in debt may ask a debt advice organisation to represent them and to facilitate such engagement.”

5.4 We also proposed to modify an existing step in the guide by adding a adding a footnote and cross-refer another part of the guide:

- a) “Refer^{footnote1} customers to debt organisations or charities that can provide free debt advice and support (directly where possible).^{footnote2} Consider offering to set up and action such a referral for the customer – see signposting section (paragraphs 4.41 – 4.45).

Footnote1: Providers need to be mindful to comply with data protection legislation.

Footnote2: For example, StepChange, the Money Advice Service, National Debtline, Business Debtline, Debt Advice Foundation, Citizens’ Advice and Christians Against Poverty.”

¹⁰⁵ See Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 41.

Summary of responses

General responses

- 5.5 Capita¹⁰⁶, the CCP/ACOD¹⁰⁷, the ACS¹⁰⁸, Citizens Advice Scotland¹⁰⁹, Verastar¹¹⁰, the ACNI¹¹¹, Ombudsman Services¹¹², Vodafone¹¹³ and Citizens Advice Daventry and District¹¹⁴ agreed with our guide amendments for this area in the round.
- 5.6 In addition, we received responses that specifically covered the components of our guide proposals, as well as additional suggestions about working with the debt advice sector. Below we summarise these responses.

Signposting free debt advice

- 5.7 Hyperoptic¹¹⁵, Which?¹¹⁶, Citizens Advice¹¹⁷ and the Money and Mental Health Policy Institute¹¹⁸ supported our proposed changes on including information about free debt advice in payment and collection related communications. Some of these respondents set out their reasons:
- a) Hyperoptic said that the first and most basic step that can be taken to help customers who are in debt or struggling to pay is to provide information remedies such as providing clear and prominent information about sources of free debt advice in payment and collection related communications.¹¹⁹
 - b) Citizens Advice said customers benefit from being aware of available support before they start struggling to pay.¹²⁰
- 5.8 Six other respondents supported our proposed changes but added further suggestions about signposting:
- a) The CCP/ACOD mentioned the importance of signposting support that is available to people in the different nations.¹²¹ Similarly the Consumer Council said they expect

¹⁰⁶ Capita response to March 2022 consultation, page 1.

¹⁰⁷ The CCP/ACOD response to March 2022 consultation, page 3.

¹⁰⁸ The ACS response to March 2022 consultation, page 4.

¹⁰⁹ Citizens Advice Scotland response to March 2022 consultation, page 4.

¹¹⁰ Verastar response to March 2022 consultation, page 1.

¹¹¹ The ACNI response to March 2022 consultation, page 1.

¹¹² Ombudsman Services response to March 2022 consultation, page 1.

¹¹³ Vodafone response to March 2022 consultation, page 1.

¹¹⁴ Citizens Advice Daventry and District response to March 2022 consultation, page 1.

¹¹⁵ Hyperoptic response to March 2022 consultation, page 2.

¹¹⁶ Which? response to March 2022 consultation, page 3.

¹¹⁷ Citizens Advice response to March 2022 consultation, page 14.

¹¹⁸ Money and Mental Health Policy Institute response to March 2022 consultation, page 2.

¹¹⁹ Hyperoptic response to March 2022 consultation, page 2.

¹²⁰ Citizens Advice response to March 2022 consultation, page 14.

¹²¹ The CCP/ACOD response to March 2022 consultation, page 3.

providers to recommend suitable bodies to best assist consumers in the respective nations they operate in.¹²²

- b) StepChange said providers should outline what support is available from free debt advice organisations and how it can help customers.¹²³
- c) CAP suggested adding that signposting information should be easy to find on websites and within apps.¹²⁴
- d) Which? expressed disappointment that Ofcom was not producing a standardised debt advice resource that could be regularly updated.¹²⁵ On a related point, the Money Advice Trust asked Ofcom to mandate a standardised list of free debt advice organisations.¹²⁶

Free debt advice organisations representing clients

- 5.9 StepChange¹²⁷, Citizens Advice Daventry and District¹²⁸ and Citizens Advice¹²⁹ supported our proposals to make it easier for free debt advice organisations to represent their clients with providers, with the latter citing an example of call centre staff refusing to speak to its advisors.¹³⁰ The CCP/ACOD suggested that this provision should be extended to nominated persons such as carers.¹³¹
- 5.10 CAP suggested that debt advisors should be allowed to use electronic portals, and verification should be in line with established practice in other sectors. It requested that our guide strengthen the language around this to “should” rather than “could” when making reference to all customer agents being aware that customers might ask a free debt advice organisation to represent them and to facilitate such engagement.¹³²
- 5.11 Virgin Media O2 suggested there are still issues regarding security and consent that make such steps difficult and welcomed Ofcom’s acknowledgement of this.¹³³ Three similarly agreed that the ability to represent clients has to be subject to reasonable verification and consent.¹³⁴

¹²² The Consumer Council response to March 2022 consultation, page 8.

¹²³ StepChange response to March 2022 consultation, page 2.

¹²⁴ CAP response to March 2022 consultation, page 3.

¹²⁵ Which? response to March 2022 consultation, page 4.

¹²⁶ Money Advice Trust response to March2022 consultation, page 6.

¹²⁷ StepChange response to March 2022 consultation, page 2.

¹²⁸ Citizens Advice Daventry & District response to March 2022 consultation, pages 1-2.

¹²⁹ Citizens Advice response to March 2022 consultation, page 14.

¹³⁰ Citizens Advice response to March 2022 consultation, page 15.

¹³¹ The CCP/ACOD response to March 2022 consultation, page 5.

¹³² CAP response to March 2022 consultation, page 5.

¹³³ Virgin Media O2 response to March 2022 consultation, page 5.

¹³⁴ Three response to March 2022 consultation, page 1.

Additional suggestions from respondents about the free debt advice sector

- 5.12 We received additional suggestions from respondents relating to the debt advice sector:
- a) StepChange suggested that providers should be able to “warm refer”¹³⁵ customers across to debt advice organisations.¹³⁶
 - b) Citizens Advice Scotland asked for additional signposting beyond the free debt advice sector, namely to mental health and wellbeing support.¹³⁷
 - c) Finally, StepChange asked Ofcom to monitor that providers are adhering to the guide in this area and intervene when outcomes fall short of expectations.¹³⁸ Which? asked that Ofcom set out how it will monitor the suggested guide additions in this area.¹³⁹

Our decision

The guide changes we are implementing

- 5.13 Given the broad agreement with our suggested guide proposals for this area as well as the specific support for the components of our proposals¹⁴⁰, we will implement our proposed changes to our guide as they are beneficial for the fair treatment of vulnerable customers.
- 5.14 However, in response to observations from respondents and to benefit customers in debt or struggling to pay we will strengthen the reference to making frontline staff aware of free debt advice organisations, as well as make some small editorial changes to improve readability¹⁴¹:
- 5.15 The guide changes we will implement as a consequence of this approach are set out below as amendments to the proposal we consulted upon, highlighted yellow for additions and strikethrough for deletions:
- “Include information **in payment and collection related communications** about where customers can access free debt advice ~~in payment and collection related communications~~, recognising that not all debt advice organisations operate across the whole of the UK. This information should be clear and easy to find.
 - Refer^{footnote1} customers to debt organisations or charities that can provide free debt advice and support (directly where possible).^{footnote2} Consider offering to set up and

¹³⁵ This means having systems to directly transfer someone on the phone to a third party support service rather than just giving them contact details for them to make contact.

¹³⁶ StepChange response to March 2022 consultation, page 3.

¹³⁷ Citizens Advice Scotland response to March 2022 consultation, page 4.

¹³⁸ StepChange response to March 2022 consultation, page 2.

¹³⁹ Which? response to March 2022 consultation, pages 3-4.

¹⁴⁰ On signposting free debt advice and representing clients.

¹⁴¹ Our Guide pen picture illustration about a customer in debt (Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 42, para 4.59) does not require further amendment in light of any of these adjustments.

action such a referral for the customer – see signposting section (paragraphs 4.41 – 4.45).

Footnote1: Providers need to be mindful to comply with data protection legislation.

Footnote2: For example, StepChange, the Money Advice Service, National Debtline, Business Debtline, Debt Advice Foundation, Citizens’ Advice and Christians Against Poverty.”

- Make it as easy as possible for free debt advice organisations, subject to any reasonable verification and consent procedures, to represent their clients, for example by providing through a direct way to contact the provider. Providers should could also ensure their frontline staff are make all customer agents aware that customers in debt may be represented by ask a debt advice organisations to represent them and to facilitate such arrangements engagement.

Our response to other comments from respondents about strengthening links with the free debt advice sector.

Signposting free debt advice

- 5.16 Our guide amendments focus on the positive customer outcomes that result from signposting and client representation, which is why we do not specify the various detailed ways in which providers can potentially achieve them. For example, as our intended outcomes regarding signposting free debt advice organisations are sufficiently clear, it is not necessary to suggest in our guide that providers set out precisely what support is available from free debt advice organisations and how that support can help customers. We also do not think it is proportionate to specify what verification or consent procedures providers should use or that electronic portals should be made available to free debt advice organisations.
- 5.17 We agree that the signposted information should be relevant for the customer, irrespective of which nation they live in. There are different ways providers can achieve this outcome and they should be given discretion in deciding the best approach to suit their customer base and their business. We therefore think that at this point in time our guide amendment already appropriately covers this issue to deliver the desired customer outcome.
- 5.18 We do not consider it necessary for Ofcom to provide a standardised debt advice resource or standardised list of free debt advice organisations at this stage. We consider that the combination of the examples of free debt advice organisations¹⁴² in our current guide and

¹⁴² See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 23, footnote 36.

existing external sources that list free debt advice organisations¹⁴³ are appropriate to assist providers in making informed decisions about which organisations they wish to signpost.

- 5.19 We think it is sufficiently clear in our guide that the purpose of signposting free debt advice organisations is to ensure that customers can find organisations that are relevant to their circumstances and the nation they want to access advice in.

Free debt advice organisations representing clients

- 5.20 As our guide is outcome-focussed, we do not consider it necessary to add more detail about the ways free debt advice organisations and providers should interact, as we want to leave room for providers to adjust their practices to suit their business. We also do not think it is necessary to include a reference to the role of nominated persons such as carers in our guide section on customers in debt or struggling to pay, as a different section of our guide already contains good practice recommendations regarding helping third parties such as relatives and carers.¹⁴⁴

Additional suggestions from respondents about the debt advice sector

- 5.21 We consider that the suggestions of warm referrals and signposting to mental health and wellbeing support are appropriately covered in the section of our existing guide about signposting other organisations that support vulnerable customers.¹⁴⁵ The guide suggests it may be appropriate to refer customers to a third-party organisation such as Citizens Advice, debt charities, mental health charities or the Samaritans because they may be better equipped to provide specialist help and support and mentions direct telephone or digital routing for customers.¹⁴⁶
- 5.22 Finally, regarding monitoring this area, this will be done in line with our general approach to monitoring the guide, as explained in paragraph 3.13 e) above.

¹⁴³ For example the online list provided by the Money and Pensions Service: Money and Pensions Service. [Debt advice funded suppliers](#).

¹⁴⁴ See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), section on “Help third parties, such as relatives or carers, who are supporting vulnerable customers”, page 21-22, para 4.46 to 4.50.

¹⁴⁵ See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), section on “Signpost other organisations that support vulnerable customers”, page 21, para 4.41 to 4.45.

¹⁴⁶ See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 21, para 4.41, 4.44.

6. Measures taken by providers to effect payment

6.1 This Section covers our consultation proposals about good practice regarding measures to effect payment¹⁴⁷, including service restrictions and using debt collection agencies, and summarises the responses we received on those proposals. It also sets out our decision in light of these responses.¹⁴⁸

Consultation proposal

6.2 We proposed to add the following good practice into the guide for providers¹⁴⁹:

- a) “Where providers take steps to effect payment, they should be transparent about their approach, ensuring consumers can easily find out which measures the provider tends to use and at what stages of the debt journey they can be expected.”
- b) “When using service restrictions to encourage customers to pay, providers should support customers by:
 - i) using a phased approach to introducing service restrictions, where practical;
 - ii) avoiding introducing service restrictions for vulnerable people who are particularly reliant on their communications services, unless all other options have been exhausted;^{Footnote1}

“Footnote1: We recognise that identifying customers who are in vulnerable circumstances that make them particularly reliant on communication services can be challenging for providers, and that providers may therefore decide that it is practical to implement this for all their customers.”
 - iii) protecting, where possible, calls to free helplines dedicated to e.g. protecting children and domestic abuse victims, even during service restrictions.”
- c) “Providers should help customers by seeking to understand a customer’s individual circumstances before instructing a debt collection agency to pursue them and by using debt collection agencies that have strong policies for treating vulnerable customers fairly.”

¹⁴⁷ For detail about the regulatory requirements on billing requirements and measures to effect payment see our General Conditions: Ofcom, 17 June 2022. [General Conditions of Entitlement. Unofficial Consolidated Version.](#)

¹⁴⁸ We also suggested separate small changes in our consultation document to update/improve the references to three relevant government initiatives, namely the Breathing Space scheme, the Statutory Debt Repayment Plan and Data Protection legislation. These improved references will be implemented in our revised guide.

¹⁴⁹ See Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 40, 41.

Summary of responses

General responses

- 6.3 The CCP/ACOD¹⁵⁰, Ombudsman Services¹⁵¹, Vodafone¹⁵², Which?¹⁵³, Verastar¹⁵⁴, the ACNI¹⁵⁵, Citizens Advice Daventry and District¹⁵⁶ and the ACS¹⁵⁷ welcomed our guide amendments for this area in the round.
- 6.4 In addition, we received responses that specifically covered the components of our guide proposals in this area, as well as additional suggestions from respondents regarding measures providers take to effect payment. Below we summarise these responses.

Transparency about measures to effect payment

- 6.5 Citizens Advice Scotland agreed with our suggestion for this area, stating that clear information about measures to effect payment can help ensure customers understand their debt journey and the steps they might expect their provider to take.¹⁵⁸
- 6.6 CAP welcomed the addition that providers should be transparent about their approach to effect payment and added this should include what to expect in relation to debt collection after disconnection. However, it also warned that providers should not frontload all possible enforcement actions in their direct communications with customers as this can cause more worry than necessary.¹⁵⁹
- 6.7 Three suggested that Ofcom should recognise that it would not be appropriate to publicise complete details about measures to effect payment, but that customers can easily contact providers to receive this information. Their reasoning is that this approach allows companies to offer individualised support to vulnerable customers and prevent customers that are not vulnerable from taking inappropriate advantage of the measures in place to support those who need support.¹⁶⁰

¹⁵⁰ The CCP/ACOD response to March 2022 consultation, page 4.

¹⁵¹ Ombudsman Services response to March 2022 consultation, page 1.

¹⁵² Vodafone response to March 2022 consultation, page 2.

¹⁵³ Which? response to March 2022 consultation, page 4.

¹⁵⁴ Verastar response to March 2022 consultation, page 1.

¹⁵⁵ The ACNI response to March 2022 consultation, page 1.

¹⁵⁶ Citizens Advice Daventry and District response to March 2022 consultation, page 1.

¹⁵⁷ The ACS response to March 2022 consultation, page 4.

¹⁵⁸ Citizens Advice Scotland response to March 2022 consultation, page 4.

¹⁵⁹ CAP response to March 2022 consultation, page 1-2.

¹⁶⁰ Three response to March 2022 consultation, page 2.

Service restrictions

Taking a phased approach to service restrictions where practical

- 6.8 Citizens Advice Scotland¹⁶¹ and the Money and Mental Health Policy Institute¹⁶² welcomed our suggestion for this area.
- 6.9 Citizens Advice recognised that phased service restrictions are preferable to a complete suspension of service but added that providers should recognise that even partial restrictions have serious impacts on people who are already facing disadvantage or harm and that they should therefore only be imposed when they have exhausted all other options.¹⁶³
- 6.10 Community Fibre¹⁶⁴ and INCA¹⁶⁵ said it was important to retain the right to suspend service for non-payment where they have been unable to contact the customer. They warned that not having this option may lead to unintended and unwelcome consequences for customers, such as an increase in the volume of credit checks that could in turn lead to households becoming unable to obtain broadband due to their poor credit history.
- 6.11 Virgin Media O2 commented that taking a phased approach to service restrictions when customers miss payments may not be appropriate. It stated that if a customer does not engage with the provider, the provider must take appropriate measures, including service restrictions, as they cannot be expected to allow customers who do not engage with them to remain fully connected whilst not making the appropriate payments.¹⁶⁶
- 6.12 [✂]

Avoiding service restrictions for vulnerable people particularly reliant on their communications services

- 6.13 The CCP/ACOD¹⁶⁷ and Citizens Advice Scotland¹⁶⁸ said they strongly supported the Ofcom guide proposal about avoiding service restrictions for vulnerable people particularly reliant on their communication services.
- 6.14 CAP gave examples of how access to the communications services can impact people's ability to manage their money online and pay their arrears, e.g. for customers using banking apps to make payments to creditors or customers using internet access to update their Universal Credit journal. It asked that service providers take into account that

¹⁶¹ Citizens Advice Scotland response to March 2022 consultation, page 5.

¹⁶² Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

¹⁶³ Citizens Advice response to March 2022 consultation, page 17.

¹⁶⁴ Community Fibre response to March 2022 consultation, page 2.

¹⁶⁵ INCA response to March 2022 consultation, page 2.

¹⁶⁶ Virgin Media O2 response to March 2022 consultation, page 6.

¹⁶⁷ The CCP/ACOD response to March 2022 consultation, page 4.

¹⁶⁸ Citizens Advice Scotland response to March 2022 consultation, page 5.

restricting access to services could prove counter-productive to collecting arrears or negatively impact the customer.¹⁶⁹

- 6.15 Three respondents commented on the use of the words “particularly reliant”:
- a) Citizens Advice said that providers should assume that all their customers are reliant on the internet as the default.¹⁷⁰
 - b) The Money and Mental Health Policy Institute said it added unnecessary complexity to the protection and might disadvantage customers who are least able to advocate for themselves and give an incentive for firms to underestimate customers’ needs.¹⁷¹
 - c) Sky said that our proposed approach to treat customers “particularly reliant” on their services is impractical and can exacerbate debt problems. It added that creating this new subcategory of vulnerable customers will create more confusion and practical difficulties for providers.¹⁷² [§<
- 6.16 We also received comments on the footnote we suggested should accompany the guide reference to customers “particularly reliant on their communication services”. Our proposed footnote read: “We recognise that identifying customers who are in vulnerable circumstances that make them particularly reliant on communications services can be challenging for providers, and that providers may therefore decide that it is practical to implement this for all their customers.”
- a) Sky took the view that this new footnote suggests replacing an approach based on the assessment of individual needs of customers with a blanket approach.¹⁷³
 - b) Hyperoptic said that treating any customer who misses a payment as if they are financially vulnerable and avoiding service restrictions for them would have a disproportionate impact on a provider’s ability to recover payment for services.¹⁷⁴
 - c) CAP asked for the footnote to additionally emphasise that this approach will avoid causing or exacerbating harm to customers, given that few customers disclose their vulnerable circumstances.¹⁷⁵

Protecting calls to free helplines during service restrictions where possible

- 6.17 Virgin Media O2 supported our suggestion for this area.¹⁷⁶

¹⁶⁹ CAP response to March 2022 consultation, page 2.

¹⁷⁰ Citizens Advice response to March 2022 consultation, page 17.

¹⁷¹ Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

¹⁷² Sky response to March 2022 consultation, page 6.

¹⁷³ Sky response to March 2022 consultation, page 6.

¹⁷⁴ Hyperoptic response to March 2022 consultation, page 2.

¹⁷⁵ CAP response to March 2022 consultation, page 3.

¹⁷⁶ Virgin Media O2 response to March 2022 consultation, page 5.

- 6.18 Citizens Advice Scotland agreed with our suggestion for this area, as it can help maintain access to vital services that can help with debt, mental health or domestic violence.¹⁷⁷
- 6.19 Citizens Advice also agreed that calls to free helplines should be maintained but added that providers should proactively communicate with affected customers that these services are still available.¹⁷⁸
- 6.20 StepChange supported the emphasis on protecting free helplines, but suggested rules are required given the severity of consequences if individuals are unable to make an emergency call to important services.¹⁷⁹

Debt collection agencies

- 6.21 Sky stated that our proposed changes to the guide regarding debt collection agencies were unnecessary as they do not take into account the difference between those agencies that work in partnership with a provider to manage a debt journey for the customer's benefit and those to whom providers may sell a debt and who may in turn pursue a customer.¹⁸⁰ Other respondents commented on the specific parts of our proposals for this area as summarised below.

Seeking to understand a customer's individual circumstances before instructing a debt collection agency

- 6.22 The Money and Mental Health Policy Institute¹⁸¹, Citizens Advice Scotland¹⁸², Which?¹⁸³ and Citizens Advice¹⁸⁴ supported that firms should seek to understand a customer's individual circumstances before using a debt collection agency. The latter gave an example of the severe stress being pursued by such an agency can cause a customer¹⁸⁵ and Which?¹⁸⁶ said efforts to understand the customer's individual circumstances are important to evaluate impact the instruction of a debt collection agency to pursue a customer may have on them as well as the probable effectiveness.
- 6.23 Hyperoptic commented that our guide proposal for this area suggested an obligation on providers to proactively ascertain any customer's circumstances prior to engaging a debt collection agency in the debt collection process. It added that providers can only respond to information disclosed to them by the customer and engaging such agencies might

¹⁷⁷ Citizens Advice Scotland response to March 2022 consultation, page 5.

¹⁷⁸ Citizens Advice response to March 2022 consultation, page 16.

¹⁷⁹ StepChange response to March 2022 consultation, page 3.

¹⁸⁰ Sky response to March 2022 consultation, page 8.

¹⁸¹ Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

¹⁸² Citizens Advice Scotland response to March 2022 consultation, page 5.

¹⁸³ Which? response to March 2022 consultation, page 4.

¹⁸⁴ Citizens Advice response to March 2022 consultation, page 18.

¹⁸⁵ Citizens Advice Response to March 2022 consultation, page 18.

¹⁸⁶ Which? response to March 2022 consultation, page 4.

benefit the customer as debt collection agencies may well have additional expertise in supporting financially vulnerable customers.¹⁸⁷

Using debt collection agencies with strong policies for treating vulnerable customers fairly

- 6.24 The Money and Mental Health Policy Institute supported our guide suggestion for this area, adding that how a firm approaches the situation can have a significant impact on someone’s mental health and their ability to deal with the problem.¹⁸⁸ Similarly, Which?¹⁸⁹ agreed with our suggestion.
- 6.25 Citizens Advice Scotland agreed with our suggestion but added that the debt collection companies should also abide by the provider’s own policies and standards. They said this would ensure that regardless of the stage of the debt, a customer knows what to expect and the support they receive is consistent with that of their telecommunications provider.¹⁹⁰
- 6.26 Some respondents advocated use of debt collection agencies authorised by the Financial Conduct Authority (“FCA”).
- a) The Consumer Council wanted Ofcom to require providers to only use debt collection agencies that meet the high standards set by other regulatory bodies such as the FCA and monitor this area.¹⁹¹
 - b) Similarly, StepChange said providers should use services who uphold FCA standards for debt collection and referred to similar expectations set by the Crown Commercial Service and Ofwat.¹⁹²
 - c) The Money Advice Trust expressed disappointment that Ofcom is not requiring providers to use FCA regulated debt collection agencies, claiming that there is nothing requiring debt collection agencies that are unauthorised by the FCA to follow any principles, or work to a set of rules and guidance.¹⁹³

Additional suggestions from respondents about measures to effect payment

- 6.27 We received additional comments from respondents about the area of measures to effect payment, specifically asking for regulation, a three-month minimum period before disconnection, monitoring, as well as some suggestions for additional areas to include in the guide. They are summarised below.

¹⁸⁷ Hyperoptic response to March 2022 consultation, page 2.

¹⁸⁸ Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

¹⁸⁹ Which? response to March 2022 consultation, page 4.

¹⁹⁰ Citizens Advice Scotland response to March 2022 consultation, page 5.

¹⁹¹ The Consumer Council response to March 2022 consultation, page 8.

¹⁹² StepChange response to March 2022 consultation, page 3.

¹⁹³ Money Advice Trust response to March 2022 consultation, page 6.

Regulation as the preferred approach

- 6.28 Some respondents asked for regulation rather than amending our guide:
- a) Citizens Advice quotes two examples of providers contravening our November 2020 letter¹⁹⁴ and the existing guide and use this as an argument for regulation as the preferred approach.¹⁹⁵
 - b) StepChange also asked for more prescription in this area because of the impact on customers of being cut off in the early stages of payment difficulties.¹⁹⁶
 - c) The Money and Mental Health Policy Institute specifically asked for a prohibition on the disconnection of vulnerable customers from essential communications services if Ofcom finds there are inconsistent outcomes across the sector and harm for vulnerable customers. It gave the example of a person with mental health problems saying they didn't think they could handle being cut off from phone or internet.¹⁹⁷
 - d) The Money Advice Trust said there should be a requirement to waive late payment fees and administrative fees when people are struggling to pay, in debt and have vulnerable circumstances.¹⁹⁸

Three months minimum before disconnection

- 6.29 Some respondents welcomed our approach to not proceed with the minimum three-month period before disconnection suggestion:
- a) Which? said it accepts our approach to remove proposals as providers should have the flexibility to tailor their approaches to the specific needs of individual customers.¹⁹⁹
 - b) The Consumer Council highlighted the risk that a specific timeframe might cause.²⁰⁰
 - c) Virgin Media O2²⁰¹, [S<] and BT²⁰² also welcomed our approach. BT added that disconnection is an important tool to incentivise payment, encourage customers to engage with their providers and to restrict the customer's debt exposure.
- 6.30 Some respondents said we should have kept our reference to three-month minimum before disconnection:

¹⁹⁴ This is a reference to Ofcom, [Helping customers stay connected](#).

¹⁹⁵ Citizens Advice response to March 2022 consultation, pages 19-20.

¹⁹⁶ StepChange response to March 2022 consultation, page 2.

¹⁹⁷ Money and Mental Health Policy Institute response to March 2022 consultation, pages 3-4.

¹⁹⁸ Money Advice Trust response to March 2022 consultation, page 5.

¹⁹⁹ Which? response to March 2022 consultation, page 4.

²⁰⁰ The Consumer Council response to March 2022 consultation, page 8.

²⁰¹ Virgin Media O2 response to March 2022 consultation, page 5.

²⁰² BT response to March 2022 consultation, page 1.

- a) Citizens Advice consider this a minimum protection for consumers. It stated that disconnecting after only 1 or 2 months is unlikely to be in line with the good practice recommendation that disconnection should only be used as a last resort.²⁰³
- b) StepChange suggested that withdrawing this idea could lead to customers being cut off in the early stages of difficulty from what is increasingly an essential service.²⁰⁴

Monitoring the measures to effect payment

- 6.31 Which?²⁰⁵ and StepChange²⁰⁶ suggested Ofcom would need to monitor this area with the latter making detailed suggestions for the various aspects that should be monitored.
- 6.32 The Consumer Council emphasised the importance of monitoring in relating to providers' use of debt collection agencies and holding providers accountable for the debt collection agencies they employ, whilst intervening where necessary.²⁰⁷

Suggestions for additional areas of focus for the guide

- 6.33 Some respondents suggested additional areas we should add to the guide.
 - a) CAP suggested providers should voluntarily offer protection from enforcement action similar to Breathing Space for customers who want to seek debt advice, given not every customer in financial difficulty will be eligible for the Government's statutory Breathing Space scheme.²⁰⁸ They also suggested providers should voluntarily extend the hold on further enforcement action once the 60 days of Breathing Space expires, where it would be in the best interest of the customer.²⁰⁹
 - b) Citizens Advice Scotland asked for extended forbearance for customers with mental health problems so they can get support.²¹⁰
 - c) The Money Advice Trust asked for the protections in the guide to be extended to micro-businesses and small businesses because the drastic consequences the threat of disconnection can have for them.²¹¹
 - d) The Money and Mental Health Policy Institute suggested Ofcom should remind providers of their legal duties under the Equality Act 2010 and how the Equality Act 2010 relates to the guide.²¹²

²⁰³ Citizens Advice response to March 2022 consultation, page 18-19.

²⁰⁴ StepChange response to March 2022 consultation, page 2.

²⁰⁵ Which? response to March 2022 consultation, page 4.

²⁰⁶ StepChange response to March 2022 consultation, page 2.

²⁰⁷ The Consumer Council response to March 2022 consultation, page 8.

²⁰⁸ This is a reference to The Debt Respite Scheme (Breathing Space Moratorium and Mental Health Crisis Moratorium) (England and Wales) Regulations 2020.

²⁰⁹ CAP response to March 2022 consultation, page 1.

²¹⁰ Citizens Advice Scotland response to March 2022 consultation, page 3.

²¹¹ Money Advice Trust response to March 2022 consultation, page 7.

²¹² Money and Mental Health Policy Institute response to March 2022 consultation, page 4.

Our decision

The guide changes we are implementing

- 6.34 Given the broad agreement with our suggested guide proposals for this area as well as the specific support for the components of our proposals²¹³, we will implement our proposed changes to our guide, as they are beneficial for the fair treatment of vulnerable customers. However, in response to observations from respondents and to benefit customers in debt or struggling to pay we will amend and strengthen the following aspects of our original proposals, as well as make some small editorial changes to improve readability²¹⁴:
- a) Recognise more explicitly in our guide that service restrictions can have a serious impact on customers.
 - b) Make it clearer that we expect providers to give customers an indication of their general approach to effecting payment, by asking them to set out which measures they generally use and when they tend to use them. Within this guide we are not advocating sharing precise details about their various measures to effect payment, as those measures should ideally be tailored to the individual customer's situation, as already mentioned in our guide²¹⁵.
 - c) In relation to identifying customers particularly reliant on communications services, we will adjust the footnote to refer to existing good practice in the guide. In particular, we will refer to being responsive to customers and sensitive to their individual circumstances as well as providing information about the help and support offered to overcome the challenge of identifying these customers. We will also recognise that identifying customers particularly reliant on their services requires meaningful engagement with the customer. Consequently, we will remove the suggestion that providers may decide to avoid the introduction of service restrictions for all their customers. We consider these changes achieve the right balance between the needs of customers and providers: customers benefit from an approach tailored to their circumstances and meaningful interaction with the provider, whilst giving the provider the flexibility to use service restrictions as a tool to effect payment.
 - d) Add that providers should make customers aware that free helplines remain accessible during service restrictions, to ensure customers are still aware they are able to access those free helplines even during service restrictions.

²¹³ On transparency about measures to effect payment, service restrictions, debt collection agencies.

²¹⁴ Our Guide pen picture illustration about a customer in debt (Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 42, para 4.69) does not require amending in light of any of these adjustments).

²¹⁵ See: Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 20, para 4.54 and page 24, para 4.56.

- e) Add a reference in the guide to remind providers of the need to comply with any obligations under the Equality Act 2010.

6.35 The guide changes we will implement as a consequence of this approach are set out below as amendments to the proposal we consulted upon, highlighted yellow for additions and strikethrough for deletions:

- a) **“Providers who** ~~Where providers take steps~~ **measures** to effect payment, they should be transparent about their approach, ensuring customers can easily find out which measures the provider **generally** tends to use and at what stages of the debt journey they can **usually** be expected.
- b) **Service restrictions can have a serious impact on customers.** When using service restrictions **as a measure to effect payment,** ~~to encourage customers to pay~~ providers should support customers by:
- using a phased approach to introducing service restrictions, where practical;
 - avoiding introducing service restrictions for vulnerable people who are particularly reliant on their communications services, unless all other options have been exhausted; **(revised footnote)**
(revised footnote): We recognise that identifying customers who are in vulnerable circumstances that make them particularly reliant on communication services can be challenging for providers, **and that it has to be based on a meaningful conversation with the customer,** ~~and that providers may therefore decide that it is practical to implement this for all customers.~~ **This is why our guide emphasises the importance of being responsive and sensitive to customers in vulnerable circumstances and of raising awareness of the extra help, support and services available, as set out in paragraphs 4.19 and 4.32-4.36 of this guide.”**
 - protecting, where possible, calls to free helplines dedicated to e.g. protecting children and domestic abuse victims, even during service restrictions, and making customers under service restrictions aware of this approach.”
- c) “Providers should help customers by seeking to understand a customer’s individual circumstances before instructing a debt collection agency to pursue them and by using debt collection agencies that have strong policies for treating vulnerable customers fairly.”

6.36 In addition, to make sure the guide includes a reference to the Equality Act 2010, we will add a footnote to existing guide section on “Scope of this guide”, indicating **“Providers should also be mindful of their obligations under the Equality Act 2010”.**

Our response to other comments from respondents about measures to effect payment

Transparency about measures to effect payment

- 6.37 We agree that listing possible measures to effect payment should not be done in such a way that it causes unnecessary worry for the customer. The guide now says instead (see paragraph 4.19 above) that providers should proactively emphasise the support available for customers in debt and include information about where customers can access free debt advice (see paragraph 5.15 above). We think these good practice recommendations in our guide, taken together, are sufficient to prompt providers to strike the right balance between transparency about measures to effect payment and a supportive attitude towards their customers.
- 6.38 We also consider that our guide phrasing is already broad enough to cover the entirety of the measures providers might take, including what a customer might expect in relation to debt collection after disconnection.

Service restrictions

- 6.39 As we set out above, we recognise that service restrictions can have a serious impact on customers, but our guide does not preclude providers from using them. We think that with this approach our guide strikes the right balance between protecting consumers and at the same time not limiting providers ability to effect payment, for example, where a customer does not engage with their provider about solutions while large amounts of debt may continue to accrue.
- 6.40 We note the support for our proposal that other options should first be exhausted before imposing service restrictions for vulnerable people particularly reliant on their communication services, as well as the criticism on this guide addition. We remain of the view that it would not be beneficial to suggest that providers refrain from using service restrictions for all their customers. Such a blanket approach removes an important incentive for providers to have conversations about possible solutions with their customers in debt or struggling to pay. As already recognised in our guide, those conversations and finding solutions are important components of good practice in this area.²¹⁶ In addition, our guide already sufficiently recognises the challenges related to identifying vulnerable customers.²¹⁷ Taken together with the existing guide sections, we think our new guide good practice on service restrictions will therefore improve the fair treatment of vulnerable customers.

²¹⁶ See our Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 23, para 4.54.

²¹⁷ See section on “identifying vulnerable customers” in Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 12-13, para 4.2 to 4.9.

6.41 Finally, we note the support for protecting calls to free helplines during service restrictions where possible. In response to the suggestion that emergency calls to important support services should be protected, we already are adding the good practice to the guide about protecting, where possible, calls to free helplines dedicated to, for example, protecting children and domestic abuse victims. In addition, we have measures in place to help protect calls to the emergency organisations via 112 and 999.²¹⁸

Debt collection agencies

6.42 We do not agree that our proposed guide changes regarding debt collection agencies are unnecessary because they do not distinguish between the type of relationship that might exist between a provider and a debt collection agency. Our view is that our guide suggestions can be implemented to better protect customers both where providers work in partnerships with debt collecting agencies, as well as where providers sell a debt to an agency that may in turn pursue a customer. In both cases better customer outcomes will be achieved if the agencies have strong policies for treating vulnerable customers fairly.

6.43 We also think that using debt collection agencies with strong policies for treating vulnerable customers fairly is, as an outcome focussed approach, better suited than suggesting that collection companies should abide by the provider's own policies and standards. The latter approach might not be practical when a debt collection agency does not act solely for one provider, but for a range of providers.

6.44 In relation to the request that FCA authorised debt collection agencies or agencies meeting the high standards from other regulators should be used, the FCA authorises debt collection agencies insofar as their activities relate to debt which arises under credit agreements, consumer hire agreements and regulated peer-to-peer loans. Utility debts and company debts are excluded from the FCA's perimeter as they are not credit agreements.²¹⁹ Since communication services are not provided under credit agreements, we do not consider it appropriate for Ofcom to require providers to only use debt collection agencies that are authorised by the FCA. We think our broader reference to the good practice of using agencies with strong policies for treating vulnerable customers fairly is more appropriate but note that this does not stand in the way of providers using debt collection services that uphold FCA standards.

6.45 We note the support for the good practice of seeking to understand a customer's individual circumstances before instructing a debt collection agency to pursue them. We understand that providers are reliant on information disclosed to them by the customer. We consider that the challenges with correctly identifying customers in financially

²¹⁸ See Ofcom, 17 June 2022. [General Conditions of Entitlement. Unofficial Consolidated Version](#), GC A3.4.

²¹⁹ The FCA regulates the collection of debt by lenders, certain debt collection agencies and debt administrators of debts arising under credit agreements, consumer hire agreements and regulated peer-to-peer loans. The FCA rules focus on the treatment of customers by the lender as well as the debt collector. For more information see: FCA. [Debt collectors and authorisation](#) and FCA. [FCA handbook Conc 7.1. Application](#).

vulnerable circumstances are already appropriately recognised in our guide (see paragraph 6.35 above).

Additional suggestions from respondents about measures to effect payment

- 6.46 Regarding the general and specific requests for regulation, we have already set out in Section 3 that we have rules contained in our General Conditions that offer important protections regarding debt and disconnection and the fair treatment of vulnerable customers. We do not see a strong case to amend them at this time.
- 6.47 In response to comments about a minimum three-month period before disconnection, we remain of the view that including this in the guide would not be appropriate. It could distract providers from the need to be flexible and reach a solution with the customer that suits their circumstance, and which might avoid disconnection. Additionally, in some instances a disconnection time period of less than three months may be in the customer's best interests to avoid an unsustainable accrual of debt. We therefore think that the existing guide emphasis on preventing customers from being disconnected where possible, recognising it is a serious step that should only be used as a last resort, with several steps to be taken before it is considered²²⁰ is currently the best approach for this area.
- 6.48 In relation to the suggestion that we should monitor the effectiveness of our guide sections on measures to effect payment and potentially intervene where necessary, we have already set out our view; that we expect our guide changes to lead to an increase in implementation of good practice throughout the sector, that the guide should be supported by monitoring of outcomes and that its existence does not preclude the possibility of regulatory action in future should that be necessary. (see paragraphs 3.13 e) and f) as well as paragraph 3.14 above)
- 6.49 We note the request for additional protection from enforcement action for those not eligible for the Breathing Space scheme and when Breathing Space expires. We consider that our guide suggestions for the fair treatment of customers in debt or struggling to pay will benefit those customers, particularly the guide references to the importance of debt advice, forbearance in relation to service restrictions and the steps to be taken before disconnection. We note that there is nothing in the guide that prevents providers from putting in place additional protection for those customers should they see merit in doing so in specific cases.
- 6.50 In relation to the request for extended forbearance for customers with mental health problems, our guide already contains several mentions of the importance of treating these

²²⁰ See Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), page 23, para 4.54.

customers fairly, in general and when they are in debt or struggling to pay.²²¹ We think this is appropriate at this point in time.

- 6.51 On the suggestion that our protections should be extended to micro-businesses and small businesses, we note the guide focuses on the provisions set out in our General Conditions C5.1-C5.5 where the definition of ‘Consumer’ means “any natural person who uses or requests a Public Electronic Communications Service or Bundle for purposes which are outside his or her trade, business, craft or profession”. As many small and micro business users are likely to be on residential contracts²²², these customers could benefit from the additional support contained within the guide in the same way. Our guide also contains a reference to the Business Debtline in our indicative list of debt organisations or charities that can provide free debt advice.²²³ We think this approach is appropriate at this point in time.
- 6.52 Regarding the suggestion that the guide would benefit from a reminder of the legal duties providers have under the Equality Act 2010 and an explanation of the relationship between our guide and the Equality Act, we think it is more appropriate to signpost readers to the Equality and Human Rights Commission for expert guidance in this area. We have however added a reference to the Equality Act into the guide, see paragraph 6.36 above.²²⁴

²²¹ See, for example, section 1.3, 1.4, 4.53 and 4.56 of our guide, including our guide reference to the Government’s Mental Health Crisis Moratorium.

²²² Around a third of SMEs have purchased residential products, see Jigsaw research, January 2017. [The SME experience of communications services: research report](#), page 90.

²²³ Ofcom, July 2020. [Treating vulnerable customers fairly A guide for phone, broadband and pay-TV providers](#), page 23, footnote 36.

²²⁴ For further information on the Equality Act 2010, see the [website of the Equality and Human Rights Commission](#).

7. Social tariffs

7.1 This Section of the document covers our consultation proposals in relation to social tariffs and summarises the responses we received on those proposals. It also sets out our decision on the revised guide in light of these responses.

Consultation proposal

7.2 We proposed to amend an existing step in our guide to include a reference to social tariffs.²²⁵

- a) The original guide text read: “In addition, providers could consider working with consumer bodies and charities to increase awareness of the help, support and services that are available.[...]”
- b) We proposed to change it to: “In addition, providers could consider working with consumer bodies and charities to increase awareness of the help, support and services that are available, including social tariffs.^{Footnote} [...]”

^{Footnote} We refer to ‘social tariffs’ to describe the discounted or targeted tariffs that providers are voluntarily offering to customers who meet certain eligibility criteria. BT and KCOM are subject to separate obligations to offer appropriate tariff options and packages that depart from those provided under normal commercial conditions to the subscribers of their telephony services who are on low incomes or have special social needs under [Paragraph 5\(2\) of the Schedule to The Electronic Communications \(Universal Service\) Order 2003](#). These tariffs are specifically excluded from the definition of “social tariffs” by section 68(2A) of the Communications Act 2003.”

7.3 We also proposed to add the following step to our guide that providers should take before considering disconnection²²⁶:

- a) “Providers should consider offering a social tariff to allow eligible people, such as those in receipt of means-tested benefits, to access communications services at discounted prices. Customers in debt or who are struggling to pay should be told about a provider’s social tariff (where available), its eligibility criteria and sign-up process.”

²²⁵ See Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 38.

²²⁶ See Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 41.

Summary of responses

- 7.4 As some responses we received related to our proposals to amend our guide, while others related to the topic of social tariffs more broadly, we have included the latter set of responses under the sub-heading ‘Other issues raised by stakeholders’ below.

Amendments to the guide

- 7.5 Plain Numbers²²⁷, Which?²²⁸, the Consumer Council²²⁹, the Money and Mental Health Policy Institute²³⁰, the Money Advice Trust²³¹, Ombudsman Services²³², Citizens Advice Scotland²³³, Citizens Advice Daventry and District²³⁴ and Good Things Foundation²³⁵ agreed with the proposed changes to the guide to refer to social tariffs.
- 7.6 Which?²³⁶, the Money and Mental Health Policy Institute²³⁷, CAP²³⁸ and Ombudsman Services²³⁹ agreed that providers should proactively raise awareness and identify potentially eligible customers and set out the sign-up process. However, the Money and Mental Health Policy Institute considered the guide’s language should be strengthened to state that providers are “expected” to proactively inform customers who are struggling.²⁴⁰
- 7.7 The ACS did not believe the proposed additions went far enough suggesting it did not make clear that offering a social tariff is good practice and an important way to receive fair treatment. Furthermore, that the language used by Ofcom in other communications had been stronger in its support for social tariffs.²⁴¹

Other issues raised by stakeholders

Availability of social tariffs

- 7.8 Which?²⁴² and the Money Advice Trust²⁴³ said that all providers should offer a social tariff. BT also said that Ofcom should encourage providers which have not launched a social tariff

²²⁷ Plain Numbers response to the March 2022 consultation, page 1.

²²⁸ Which? response to the March 2022 consultation, page 1.

²²⁹ The Consumer Council response to the March 2022 consultation, page 9.

²³⁰ Money and Mental Health Policy Institute response to the March 2022 consultation, page 2.

²³¹ Money Advice Trust response to the March 2022 consultation, page 7.

²³² Ombudsman Services response to the March 2022 consultation, page 1.

²³³ Citizens Advice Scotland response to the March 2022 consultation, page 6.

²³⁴ Citizens Advice Daventry and District response to the March 2022 consultation, page 1.

²³⁵ Good Things Foundation response to the March 2022 consultation, page 1.

²³⁶ Which? response to the March 2022 consultation, page 2.

²³⁷ Money and Mental Health Policy Institute response to the March 2022 consultation, page 2.

²³⁸ CAP response to the March 2022 consultation, page 4-5.

²³⁹ Ombudsman Services response to the March 2022 consultation, page 1.

²⁴⁰ Money and Mental Health Policy Institute response to the March 2022 consultation, page 2.

²⁴¹ The ACS response to the March 2022 consultation, page 2.

²⁴² Which? response to the March 2022 consultation, page 2.

²⁴³ Money Advice Trust response to the March 2022 consultation, page 7.

to launch one, and, where providers have already done so, to ensure they are meaningful to consumers.²⁴⁴

- 7.9 Which? added that social tariffs should include certain features, including that sign-up should be easy, no excess charges should be applied and there should be no automatic rollover onto a high-cost option at the end.²⁴⁵
- 7.10 Citizens Advice Scotland stated that social tariffs are an important tool to help vulnerable consumers maintain access to affordable internet. They considered that social tariffs should be accessible after a sudden change in finances.²⁴⁶ Citizens Advice Scotland would also welcome consideration by Ofcom on arrangements at the end of a social tariff contract period to ensure consumers can continue to access affordable internet.²⁴⁷
- 7.11 The ACNI was reassured that social tariffs were widely available, which would reduce the risk that customers would have to switch provider to access a social tariff and potentially incur an early termination charge.²⁴⁸ The ACNI was also reassured that some providers which offered social tariffs intended to waive early termination charges for existing eligible customers who wanted to switch.²⁴⁹
- 7.12 The Money and Mental Health Policy Institute said that without a significant improvement in social tariff provision, Ofcom should ask Government to mandate social tariffs, with powers to penalise firms which consistently fail to offer them.²⁵⁰ The ACS also suggested that if there wasn't sufficient action taken, there may be a case for mandating social tariffs.²⁵¹
- 7.13 ISPA said mandated social tariffs should be treated with caution, as they believed there has been a strong response from the market so far.²⁵² Furthermore, they noted a wide range of low-cost general tariffs that were available.²⁵³
- 7.14 Good Things Foundation welcomed the strengthened emphasis on social tariffs. However, they said the guidance should also refer to other solutions beyond social tariffs for addressing affordability issues.²⁵⁴

²⁴⁴ BT response to March 2022 consultation, page 2.

²⁴⁵ Which? response to March 2022 consultation, page 2.

²⁴⁶ Citizens Advice Scotland response to March 2022 consultation, page 6.

²⁴⁷ Citizens Advice Scotland response to March 2022 consultation, page 7.

²⁴⁸ The ACNI response to March 2022 consultation, page 1.

²⁴⁹ The ACNI response to March 2022 consultation, page 1.

²⁵⁰ Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

²⁵¹ The ACS response to the March 2022 consultation, page 2.

²⁵² ISPA response to March 2022 consultation, page 1.

²⁵³ ISPA response to March 2022 consultation, page 2.

²⁵⁴ Good Things Foundation response to March 2022 consultation, page 1.

- 7.15 Three²⁵⁵, INCA²⁵⁶, Vodafone²⁵⁷ and Community Fibre²⁵⁸ referred to other low-cost services available with no eligibility criteria. INCA believed such tariffs should be included under any definition of social tariffs, given the costs associated with enforcing eligibility criteria.²⁵⁹ Vodafone believed such tariffs also had a role to play in enabling low-income households to access affordable communications services.²⁶⁰ Community Fibre referred to their own low-cost tariff without eligibility criteria, which they said should be included within Ofcom's definition of social tariffs.²⁶¹
- 7.16 Sky said that the economics of promoting social tariffs are materially different for providers at different levels of the broadband supply chain. As Sky does not have its own fixed network, in order to provide retail broadband services, social tariff or otherwise, they have to acquire wholesale network access.²⁶² Vodafone said that if Ofcom could secure either the provision of a discounted wholesale offer, or the removal of VAT, from social tariffs, it would allow for the widespread sustainable provision of them across the market.²⁶³ ISPA also considered support through a change in how social tariffs are taxed could increase provision by providers.²⁶⁴

Awareness of social tariffs

- 7.17 Citizens Advice considered the single reference to social tariffs in the proposed amendment to the guide was not enough to make providers increase awareness. They considered Ofcom must be willing to regulate if firms do not establish and promote social tariffs.²⁶⁵
- 7.18 [X]
- 7.19 ISPA²⁶⁶ and INCA²⁶⁷ both urged Ofcom to work with Government to address issues preventing social tariff offerings or take-up. ISPA considered that would be improved by greater access to data from the Department for Work and Pensions.²⁶⁸ INCA considered identification of eligible customers is key and that APIs could help providers reach those individuals who would most benefit.²⁶⁹ Which? also encouraged APIs to be used by providers.²⁷⁰

²⁵⁵ Three response to March 2022 consultation, page 4.

²⁵⁶ INCA response to March 2022 consultation, page 2.

²⁵⁷ Vodafone response to March 2022 consultation, page 3.

²⁵⁸ Community fibre response to March 2022 consultation, page 3.

²⁵⁹ INCA response to March 2022 consultation, page 1.

²⁶⁰ Vodafone response to March 2022 consultation, page 2.

²⁶¹ Community Fibre response to March 2022 consultation, page 2.

²⁶² Sky response to March 2022 consultation, page 8.

²⁶³ Vodafone response to March 2022 consultation, page 3.

²⁶⁴ ISPA response to March 2022 consultation, page 2.

²⁶⁵ Citizens Advice response to March 2022 consultation, page 23.

²⁶⁶ ISPA response to March 2022 consultation, page 2.

²⁶⁷ INCA response to March 2022 consultation, page 1.

²⁶⁸ ISPA response to March 2022 consultation, page 2.

²⁶⁹ INCA response to March 2022 consultation, page 1.

²⁷⁰ Which? response to March 2022 consultation, page 2.

- 7.20 The Money Advice Trust agreed that more should be done to raise awareness of social tariffs but considered Ofcom should ensure providers alert all customers to social tariffs, not just people who are in debt.²⁷¹
- 7.21 Good Things Foundation said greater clarity and guidance was needed from Ofcom so that charities and other community organisations could be confident in promoting social tariffs, which are part of a complex market.²⁷²
- 7.22 Citizens Advice Scotland welcomed Ofcom’s steps to raise awareness of social tariffs, but also considered more information needs to be made available by Ofcom to allow advice agencies to support consumers to obtain a more affordable tariff or negotiate with their provider.²⁷³
- 7.23 StepChange said that because providers had failed to adequately promote social tariffs, they recommended Ofcom should make outcomes more explicit and more clearly explain what is meant by ‘promotion’.²⁷⁴

Monitoring uptake

- 7.24 The Money and Mental Health Policy Institute believed that Ofcom should continue to monitor social tariff uptake and highlight firms not offering them or with low take-up.²⁷⁵
- 7.25 Which? also asked that Ofcom detail its plans to monitor consumer awareness and uptake of social tariffs, outline success thresholds and consider what action to take if low-income households continue to struggle with broadband affordability.²⁷⁶
- 7.26 ISPA considered that given the wide availability of social tariffs, uptake will be an important measure, but that comparing take-up to the total number of eligible households is simplistic, given the wide range of financial situations that eligible households will cover.²⁷⁷

Our decision

The guide changes we are implementing

- 7.27 Given the broad agreement with our suggested guide proposal, we have decided to proceed with implementing the first proposed change to our guide, that providers could consider working with consumer bodies and charities to increase awareness of the help, support and services that are available, including social tariffs, because it is beneficial for the fair treatment of vulnerable customers.

²⁷¹ Money Advice Trust response to March 2022 consultation, page 7.

²⁷² Good Things Foundation response to March 2022 consultation, page 1.

²⁷³ Citizens Advice Scotland response to March 2022 consultation, page 6.

²⁷⁴ StepChange response to March 2022 consultation, page 1.

²⁷⁵ Money and Mental Health Policy Institute response to March 2022 consultation, page 3.

²⁷⁶ Which? response to March 2022 consultation, page 3.

²⁷⁷ ISPA response to March 2022 consultation, page 2.

- 7.28 However, we have decided to reflect stakeholder responses to the consultation by strengthening how we refer to offering a social tariff as a step providers take before considering disconnection. Rather than being something providers “should consider” offering, we will be amending our guide to state that providers should offer a social tariff to allow eligible people, such as those in receipt of means-tested benefits, to access communications services at discounted prices. Our guide will therefore state that providers “Offer a social tariff...” as a step they should take before disconnection is considered.
- 7.29 As a result of this approach, the guide changes and associated footnote we will implement are set out below as amendments to the proposal we consulted on, highlighted yellow for additions and strikethrough for deletions²⁷⁸:
- a) “In addition, providers could consider working with consumer bodies and charities to increase awareness of the help, support and services that are available, including social tariffs^(footnote). For example, providers could raise awareness of their accessibility services to relevant customers by collaborating with relevant charities on how to promote these services effectively.”
- (footnote): “We refer to ‘social tariffs’ to describe the discounted or targeted tariffs that providers are voluntarily offering to customers who meet certain eligibility criteria. BT and KCOM are subject to separate obligations to offer appropriate tariff options and packages that depart from those provided under normal commercial conditions to the subscribers of their telephony services who are on low incomes or have special social needs under [Paragraph 5\(2\) of the Schedule to The Electronic Communications \(Universal Service\) Order 2003](#). These tariffs are specifically excluded from the definition of “social tariffs” by section 68(2A) Communications Act 2003.”
- b) And the following step providers should take before considering disconnection:
- ~~“Providers should consider offering~~ Offer a social tariff to allow eligible people, such as those in receipt of means-tested benefits, to access communications services at discounted prices. Customers in debt or who are struggling to pay should be told about a provider’s social tariff (where available), its eligibility criteria and sign-up process.”

Our response to comments about amendments to the guide

- 7.30 Social tariffs can play a very important role in enabling households on low incomes to access affordable communications services and can help ensure the fair treatment of financially vulnerable customers, including those in debt, where they are eligible for such tariffs. Households’ finances have continued to be squeezed during 2022, and, in that

²⁷⁸ Our Guide pen picture illustration about a customer in debt (Ofcom, 17 March 2022. [Treating vulnerable customers fairly guide. Proposals to amend the guide to help ensure customers in debt or struggling to pay are treated fairly](#), page 42, para 4.59) does not require further amendment in light of any of these adjustments.

context, we consider providers should offer a social tariff as good practice. The amendments do not limit providers in terms of what they offer to customers facing affordability issues, and they may wish to complement social tariffs with other solutions.

- 7.31 Social tariffs are currently offered by providers on a voluntary basis but offer both price and non-price protections. Consumers can expect social tariffs to offer a discount against commercially available tariffs, they are targeted at households who are on means-tested social security benefits and eligible consumers can join and leave the tariff penalty free. Our September 2022 report on Affordability of Communications Services²⁷⁹ has more details on the key features we expect of social tariffs.
- 7.32 Although we are amending the guide to refer to social tariffs as a means by which providers should offer help and support to customers in debt or who are struggling to pay as good practice, and that customers should be told about a provider's social tariff, the amendments do not mandate the provision of social tariffs.
- 7.33 While Ofcom has powers to impose statutory social tariffs on all providers to help the most vulnerable, that would require a direction to Ofcom from the Secretary of State to conduct a review into the affordability of relevant services for customers on low incomes or those with special social needs. Ofcom would then need to consider whether it was appropriate to make a recommendation to the Secretary of State to set social tariff conditions for communications providers. The Government's current position is to encourage providers to voluntarily introduce tariffs targeted at those on means-tested benefits.

Our response to other comments from respondents about social tariffs

Availability of social tariffs

- 7.34 We acknowledge that some providers offer low priced commercial tariffs which do not apply eligibility criteria. However, we consider it is appropriate to distinguish between these tariffs and social tariffs, given the additional protections social tariffs offer to consumers, such as price stability, minimal upfront costs and the lack of early termination charges.
- 7.35 In response to concerns about what would happen at the end of the social tariff contract period, we understand where a customer no longer qualifies for a means-tested benefit, their provider would either discuss moving tariffs with the customer or move them to another tariff. We understand where customers remained eligible, they can continue on the social tariff. We note that many of the social tariffs available are offered on a rolling contract period, increasing flexibility to customers.

²⁷⁹ Ofcom, 29 September 2022, [Affordability of Communications Services](#) ("our September report"), Section 5.

- 7.36 In response to comments that the guide should also refer to other solutions beyond social tariffs for addressing affordability issues, the guide already includes other steps for providers before considering disconnection. The guide as amended expands on those steps providers should take.
- 7.37 In response to providers' responses about the price of acquiring wholesale network access for social tariffs, we urge providers to raise their concerns with Openreach. Changes to the way social tariffs are taxed and, as previously discussed, mandating social tariffs, would require an intervention by Government.
- 7.38 To allow providers to check eligibility of potential social tariff customers, we also understand the Department for Work and Pensions has recently made an API²⁸⁰ service available to providers, including those offering a social tariff.

Awareness of social tariffs

- 7.39 Alongside offering a social tariff, we continue to urge providers to do more to develop their communications channels and activities to raise awareness of social tariffs. We maintain that providers are not doing enough in this respect and our September report²⁸¹ makes further calls for providers to offer and promote their social tariffs so consumers can stay connected and benefit from the savings social tariffs offer.
- 7.40 We are mindful that social tariffs present different cost considerations for different providers. However, we consider all providers should (in addition to offering a social tariff), work to increase awareness of them, particularly given uptake of social tariffs remains low. In that context, we consider providers should pro-actively inform people who are in debt or struggling to pay about their social tariff, the eligibility criteria and how to sign up for it. Additionally, we maintain that providers of social tariffs could work with consumer bodies and charities, who are likely to engage with people facing affordability problems, to promote the availability of social tariffs.
- 7.41 The guide already encourages providers to promote the full range of extra help, support and services they offer to all their customers²⁸², and we expect that to now include social tariffs. Ofcom is open to working with organisations to ensure that awareness of social tariffs gains the widest possible reach.
- 7.42 In response to concerns about what is meant by 'promotion', Ofcom has in the past suggested including social tariffs in comparison website searches for broadband deals and making sure social tariffs are easy to find on provider websites, accessible from the

²⁸⁰ An API or Application Programming Interface is a mechanism allowing two software systems to communicate with each other.

²⁸¹ Ofcom, 29 September 2022, *Affordability of Communications Services*, Section 5.

²⁸² Ofcom, 23 July 2020. *Treating vulnerable customers fairly: A guide for phone, broadband and pay-TV providers*, page 19.

homepage or website ribbon.²⁸³ The guide already includes other ways that providers can promote the extra help, support and services that are available to their customers.²⁸⁴

Monitoring uptake

- 7.43 We continue to monitor providers' provision of social tariffs and their uptake. Our September 2022 report²⁸⁵ provides an update both on those providers currently offering a social tariff, and those that don't, and updated social tariff take-up figures. It found that take-up of broadband social tariffs has increased in 2022 but remains low, with 136,000 households on a social tariff as of August 2022, representing just 3.2% of UK households receiving Universal Credit.
- 7.44 We acknowledge that the total number of eligible households is likely to cover a range of financial situations. Our September report²⁸⁶ includes analysis on those who are most likely to benefit from a social tariff.
- 7.45 The Ofcom Communications Affordability Tracker²⁸⁷ will continue to monitor the extent to which consumers are experiencing affordability issues and how consumers are responding to them.

²⁸³ Ofcom, February 2022. [Affordability of Communications Services: Summary of research findings and update on availability and take-up of broadband social tariffs](#), paragraph 5.15, page 16.

²⁸⁴ Ofcom, 23 July 2020. [Treating vulnerable customers fairly. A guide for phone, broadband and pay-TV providers](#), paras 4.32 – 4.36

²⁸⁵ Ofcom, 29 September 2022, [Affordability of Communications Services](#), Section 2.

²⁸⁶ Ofcom, 29 September 2022, [Affordability of Communications Services](#), Section 4.

²⁸⁷ Ofcom, [Communications Affordability Tracker](#)

A1. Amendments to the guide to reflect our decisions.

- A1.1 The main sections of our guide we are making changes to are “promote the extra help, support and services that are available”, i.e. paragraph 4.32 to 4.36 of our original (2020) guide and “Act fairly when a customer is facing problem debt”, i.e. paragraph 4.51 to 4.56 of our original (2020) guide.
- A1.2 All changes we will make to those sections are set out below as amendments to the original guide, highlighted yellow for additions and strikethrough for deletions.

[Revised guide sections begin]

Promote the extra help, support and services that are available

- A1.3 We encourage providers to promote the full range of extra help, support and services they offer to customers. We also remind providers that they are obliged to promote the services they offer to meet the needs of customers with disabilities.²⁸⁸
- A1.4 In addition, providers could consider working with consumer bodies and charities to increase awareness of the help, support and services that are available, including social tariffs²⁸⁹. For example, providers could raise awareness of their accessibility services to relevant customers by collaborating with relevant charities on how to promote these services effectively.
- A1.5 As set out in paragraphs 4.2 to 4.9, we encourage providers to provide all customers with information around the time they take out a new contract, for example, sent alongside their new contract documents or welcome pack, that sets out:
- details of the help, support and services they offer customers who might be vulnerable or have specific accessibility or customer service needs; and
 - clearly explains how customers can sign up for help, support or services at any time.

²⁸⁸ Ofcom’s 2016 guidance document, [A guide to publicising services available to disabled users \(updated 2022\)](#) sets out good practice in relation to publicising services for disabled people, which is still relevant when publicising services to those customers.

²⁸⁹ We refer to ‘social tariffs’ to describe the discounted or targeted tariffs that providers are voluntarily offering to customers who meet certain eligibility criteria. BT and KCOM are subject to separate obligations to offer appropriate tariff options and packages that depart from those provided under normal commercial conditions to the subscribers of their telephony services who are on low incomes or have special social needs under [Paragraph 5\(2\) of the Schedule to The Electronic Communications \(Universal Service\) Order 2003](#). These tariffs are specifically excluded from the definition of “social tariffs” by section 68(2A) Communications Act 2003.

- A1.6 The information should be easy to understand and should be published on providers' websites,^[2] so it is widely accessible to customers. Over the telephone or webchat or in store, customer-facing representatives could refer to the information and offer to send it to customers or verbally explain the services available.

"I'm 86 and don't see or hear too well anymore, and I didn't catch everything you said on this call, but I'm sure it's going to be fine."

Good customer service could include the agent noting the customer's specific accessibility or communication needs (in line with data protection legislation), being empathetic with the customer, identifying that they may benefit from taking longer to talk to them and offering to follow the call with a written summary (especially if the customer made changes or signed up for additional services). We would also expect the provider to make the customer aware of the help, support and services that are available, such as text relay and **communications in accessible formats** bills in large print.

- A1.7 We encourage providers to send a reminder of the available help, support and services to existing customers on a regular basis, for example, once per year with billing or other customer service communications. We are aware that providers in the energy sector give their customers this sort of reminder alongside their annual account update. One example we have observed in the energy sector states: *'Let us know if you need extra help. If you're elderly, disabled, sick... we can help make your life easier. Sign up here [link] to get help that best suits you'*.

Act fairly when a customer is **in debt or struggling to pay** **facing problem debt**²⁹⁰

- A1.8 Debt can be stressful and can have a significant impact on a person's mental health. Research by the Money and Mental Health Policy Institute shows that, each year, 13% of people in problem debt²⁹¹ think about suicide and three per cent of people in problem debt attempt to take their own life.²⁹²
- A1.9 We expect providers to recognise that customers who are in arrears are likely to be vulnerable. We therefore encourage providers to take extra measures to make sure

^[2] See section three for discussion on publishing policies.

²⁹⁰ This guide is primarily focused on day to day fair treatment. Information on the specific ways providers were responding to the unique challenges linked to covid-19 can be found [here](#).

²⁹¹ Money and Mental Health Policy Institute's *A Silent Killer* report defines 'problem debt' as meaning someone who has been seriously behind on payments for bills or credit agreements or have been disconnected by a utilities provider in the past year. See: Money and Mental Health Policy Institute (2018), *A Silent Killer. Breaking the link between financial difficulty and suicide*, page 13.

²⁹² Money and Mental Health Policy Institute's (2018), *A Silent Killer. Breaking the link between financial difficulty and suicide*, page 5.

customers in debt or customers struggling to meet their regular payments are treated fairly.²⁹³

A1.10 Providers should be aware of the requirements of the Government's *breathing space scheme*. At the time of publishing this guide, this is due to be implemented in early 2021 and will allow that came into force in England and Wales on 4 May 2021,²⁹⁴ allowing eligible customers 60 days' respite from creditor action.

A1.11 Providers who take measures to effect payment should be transparent about their approach, ensuring customers can easily find out which measures the provider generally tends to use and at what stages of the debt journey they can usually be expected.

A1.12 Service restrictions can have a serious impact on customers. When using service restrictions as a measure to effect payment, providers should support customers by:

- using a phased approach to introducing service restrictions, where practical;
- avoiding introducing service restrictions for vulnerable people who are particularly reliant on their communications services, unless all other options have been exhausted;²⁹⁵
- protecting, where possible, calls to free helplines dedicated to e.g. protecting children and domestic abuse victims, even during service restrictions, and making customers under service restrictions aware of this approach.

A1.13 Providers should, wherever possible, prevent customers from being disconnected. Disconnection is a serious step that should only be used as a last resort and providers should take ~~we suggest~~ several steps to be taken before it is considered.:

- Proactively and prominently emphasise the provider support available for customers in debt (such as payment deferrals or payment plans) in direct communications about payment and/or debt with customers and with debt advice organisations acting on their behalf. Providers should also ensure that information about the support available to customers can easily be found on their websites.
- When contacting a customer about their debt, take account of the customer's circumstances where appropriate as well as their preferred communication channel²⁹⁶. If a customer in debt has not expressed a preference or if they are not

²⁹³ Ofcom's General Conditions rules place obligations on providers to ensure that any measure they take to effect payment or disconnect services are proportionate and not unduly discriminatory (GC C3.11). Providers must also publish details of the measures they may take to obtain payment or disconnection, where a customer has not paid all or part of a bill.

²⁹⁴ [The Debt Respite Scheme \(Breathing Space Moratorium and Mental Health Crisis Moratorium\) \(England and Wales\) Regulations 2020](#). Providers should consider using the [Standard Financial Statement](#) to assess a customer's ability to pay.

²⁹⁵ We recognise that identifying customers who are in vulnerable circumstances that make them particularly reliant on communication services can be challenging for providers, and that it has to be based on a meaningful conversation with the customer. This is why our guide emphasises the importance of being responsive and sensitive to customers in vulnerable circumstances and of raising awareness of the extra help, support and services available, as set out in paragraphs 4.19 and 4.32-4.36 of this guide.

²⁹⁶ As set out at 4.12-4.13 of this guide.

responding, use a range of communication channels when contacting a customer about their debt (including their preferred method of communication) before taking any follow-up action, such as including enforcement and debt recovery.

Rotate between communications channels to increase the chance of reaching the customer²⁹⁷.

- Allow a customer some time to get help, support and advice on how to manage their debts (without the threat of enforcement action or disconnection during the same period).²⁹⁸
- Consider offering payment holidays or deferrals, or freezing additional fees and charges where a customer is experiencing problem debt, particularly while the customer is seeking debt help and advice.
- Ask questions to understand the customer's financial situation and ability to pay.²⁹⁹
- Discuss and agree a realistic and reasonable payment plan which is flexible and repayable over a period of time and based on their ability to pay (including considering any advice or proposals from a debt adviser).³⁰⁰
- Help the customer understand the payment plan and any additional costs involved, and clearly explain any consequences of non-payment (including any impact on services).
- Offer tariff advice, whether that is switching to a cheaper tariff or social tariff. For example, customers who have experienced higher out of contract charges and have recently fallen behind with payments could benefit from such engagement with their provider. Providers could consider waiving early termination charges if a customer does switch tariff due to their debt.
- Offer a social tariff to allow eligible people, such as those in receipt of means-tested benefits, to access communications services at discounted prices. Customers in debt or who are struggling to pay should be told about a provider's social tariff (where available), its eligibility criteria and sign-up process.
- Make customers aware of services that might cost more than they are expecting and discuss implementing bill or usage checkers and limits.
- Include information in payment and collection related communications about where customers can access free debt advice, recognising that not all debt advice organisations operate across the whole of the UK. This information should be clear and easy to find.

²⁹⁷ In doing so, providers will need to ensure they comply with their obligation under the Privacy and Electronic Communications (EC Directive) Regulations 2003.

²⁹⁸ Providers need to ensure they comply with their obligations under the [Debt Respite Scheme \(Breathing Space Moratorium and Mental Health Crisis Moratorium\) \(England and Wales\) Regulations 2020](#). HM Treasury, [Breathing space scheme: response to policy proposal, 2019](#).

²⁹⁹ A Standard Financial Statement completed by a free debt advice organisation or other relevant organisation can help providers with this task. See: Money Advice Service. [What is the Standard Financial Statement?](#)

³⁰⁰ Providers should also be aware of the requirements of Government's *Statutory Debt Repayment Plan*, currently due to be implemented alongside the *Breathing Space Scheme* in early 2021. See: Gov.UK: [Statutory Debt Repayment Plan: Consultation](#).

- Refer³⁰¹ customers to debt organisations or charities that can provide free debt advice and support (directly where possible).³⁰² Consider offering to set up and action such a referral for the customer - see signposting section (paragraphs 4.41-4.45).
- Make it as easy as possible for free debt advice organisations, subject to any reasonable verification and consent procedures, to represent their clients, for example by providing a direct way to contact the provider. Providers should also ensure their frontline staff are aware that customers may be represented by debt advice organisations and facilitate such arrangements.
- Make sure the customer can easily access their billing information to help prevent debt building up again in the future.

A1.14 To benefit customers who are struggling to pay their bills, providers could work with consumer bodies or other organisations specialising in financial support. For example, to increase awareness of the help, support and services that are available, and to ensure that any information required to support their work is accurate and timely.

A1.15 Providers should help customers by seeking to understand a customer's individual circumstances before instructing a debt collection agency to pursue them and by using debt collection agencies that have strong policies for treating vulnerable customers fairly.

A1.16 Ultimately, providers might need to be flexible in their policies and procedures when dealing with customers facing problem debt as their circumstances and needs might be more complex.

“I suffer from mental health problems and have difficulties with my memory and remembering information. My income fluctuates as a result and I have had to deal with the collections team before, which has brought on severe anxiety and scares me.”

One in four people will experience a mental health problem each year and over a third of people experiencing a mental health problem have never been diagnosed. We therefore expect providers to be aware that a high proportion of their customers will be affected by mental health problems and they should be equipped to offer them the appropriate help, support and services.

In the example above this example, good customer service would include the provider giving clear and accessible information, via the customer's preferred communication method, including information about the support they can offer should the customer enter debt, such as payment deferrals or payment plans. The provider could offer to send details of any verbal conversations in writing, so the customer has time to digest what

³⁰¹ Providers need to be mindful to comply with data protection legislation.

³⁰² For example, StepChange, the Money Advice Service, National Debtline, Business Debtline, Debt Advice Foundation, Citizen's Advice and Christians Against Poverty.

they have been told. Due to the customer's income fluctuations, it may be appropriate to offer tariff advice due to the customer's income fluctuations including information about any social tariff they have, eligibility criteria and how to sign up for it.

If the customer is in arrears, and has a preferred communications channel, the provider should try to use that. If the customer does not respond when the provider tries to contact them about their debt, the provider should rotate between communication channels to increase the chances of reaching the customer. The provider should proactively tell the customer about the support and help they offer customers in debt. The provider should also include information about where the customer can access free debt advice. †The provider should allow them time to get help and support without the threat of enforcement action or disconnection during that period. Any service restrictions used by the provider should be used in a phased approach if practical, protect calls to free helplines and be avoided if a customer is particularly reliant on their communications services. The provider should also act fairly when pursuing debt recovery, including discussing and agreeing a reasonable repayment plan (including considering any advice or proposals from a debt adviser). The provider should seek to understand a customer's individual circumstances before putting them in a position where a debt collection agency pursues them.

[Revised guide sections end]