

# **Response to Ofcom's review of accreditation scheme for price calculators**

15 July 2013

# Ofcom's review of the accreditation Scheme for Price Calculators

## Ombudsman Services' consultation response

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## 1 Summary

### 1.1 About Ombudsman Services

The Ombudsman Service Ltd (Ombudsman Services) is a company limited by guarantee that provides ombudsman services for the energy, telecommunications, property and copyright licensing sectors, by appointment or approval from the relevant regulators. It was appointed by the Department for Energy and Climate Change (DECC) to be the ombudsman and investigation service for the Green Deal. We provide dispute resolution and redress to domestic consumers and micro-businesses. Established in 2002, Ombudsman Services now has over 8,500 participating companies and last year we resolved over 20,000 complaints. The company employs around 170 people and has a turnover of just under £8 million.

Ombudsman Services complaints resolution service is free to consumers and costs the public purse nothing; it is paid for by the participating companies under our jurisdiction by a combination of subscription and case fee. The participating companies do not and should not exercise financial control over the company. Ombudsman Services' governance ensures that we are independent from the companies that fall under our jurisdiction. The more complaints there are about a company, the more the company pays, ensuring an incentive for the company to improve their customer service.

To help level the playing field between consumers and companies, we have a contact centre which provides information and helps those who have difficulty in making a

complaint. We achieve proportionality by providing alternative dispute resolution through different processes, from early resolution to Ombudsman Services decision.

## **2 Specific response to the consultation**

### **2.1 Ombudsman Services views**

Ombudsman Services welcomes the opportunity to comment on Ofcom's review of the accreditation Scheme for Price Calculators. Our response to the consultation questions is below.

#### **1 Do you agree with Ofcom's conclusions that there is no need for a fundamental revision of the Scheme at this time?**

Ombudsman Services agrees with Ofcom that there appears to be no need for a fundamental review and revision of the scheme. However there is a need to take a closer look at a number of issues that have arisen including an improvement in how changes are identified between audits, the provision of guidance about past decisions on accreditations to price comparison websites (PCWs) in order to assist compliance and providing greater clarity of the rules for the audit fees to be paid by smaller PCWs.

Ombudsman Services also believes that there is a need to improve the publicity around the Scheme to consumers as well as provide greater clarity to the consumer in the PCWs' complaints handling processes and the introduction of an independent element to this process.

#### **2 Ofcom is proposing to revise the approval requirements with respect to the provision of information on Quality of Service metrics. Are there other aspects of the scope of the Scheme that we should revise?**

Ombudsman Services does not wish to make a comment on this question.

**3 Ofcom is proposing to revise five areas around the operation of the Scheme. Are there any other aspects that we should revise?**

No, the five areas that the consultation has identified are in Ombudsman Service's opinion, the relevant areas for revision

**4 Ofcom is proposing to include a requirement in the approval criteria that PCWs include in their results pages for broadband comparisons clear messaging on speeds, and provide information about Ofcom's comparative information and about online speed checkers. Do you agree with these proposals and our analysis of their impact? Please give reasons and if appropriate state alternatives.**

The broadband market has evolved since the current scheme was introduced, with communications providers expanding the range of services available to consumers. Ombudsman Services therefore agrees for the need to be open and transparent and in line with options 2, 3 and 4 outlined in the consultation document (ie provide clear messaging on broadband speeds, provide information about Ofcom's broadband speeds comparisons and provide information about the ability to check line speeds), PCWs should include in their results pages for broadband comparisons clear messaging on broadband speeds. We also believe that sites should be required to provide information about Ofcom's comparative information and about the availability of online speed checkers.

**5 Ofcom is proposing to amend the approval criteria so that PCWs providing broadband comparisons give details of any data usage limits on the results page. Do you agree with these proposals and our analysis of their impact? Please give reasons and alternatives where appropriate.**

In the interests of transparency and openness, Ombudsman Services agrees with Ofcom's proposed amendment which will require PCWs providing

broadband comparisons give details of any data usage limits on the results page.

- 6 Ofcom is proposing that the approval criteria are amended to include a requirement on PCWs to provide information about traffic management policies. Do you agree with this proposal and our assessment of its impact? Please give reasons and alternatives, where appropriate.**

Again in the interests of ensuring transparency and openness, there should be a requirement on PCWs to provide information about traffic management policies. We would agree with Ofcom that while the potential benefits for consumers could be significant, the changes should require only limited modifications to accredited PCWs' websites and should not lead to significant costs for the PCWs. Furthermore, we accept that the limited costs on PCWs are likely be outweighed by the strong benefits for PCWs of participating in the Scheme and providing adequate and useful comparison tools to their users, which would increase consumer confidence and generate more traffic.

- 7 Ofcom is proposing that the approval criteria are amended to include a requirement on PCWs to provide information about Ofcom's comparative customer service and complaints information. Do you agree with this proposal and our assessment of its impact? Please give reasons and alternatives, where appropriate.**

Yes, Ofcom's proposal would in Ombudsman Services opinion ensure that PCWs provides consumers with details of comparative information about customer service and complaints handling and allow them to take account of this information into their decision making process. While the potential benefits for consumers may be significant, the changes should require only limited modifications to accredited PCWs' websites and should not lead to significant costs for the PCWs.

- 8 Ofcom invites views on our proposals to publish guidance on past decisions and to carry out quarterly spot-checks. Please indicate whether you agree with the proposals, giving reasons and alternatives where appropriate.**

Our view is that by providing more information and publishing guidance on past decisions and carrying out spot checks will assist the consumer to make an informed choice on data that is up to date and relevant. Ombudsman Services agrees with Ofcom that rather than making full audits more frequent – which would increase costs and may reduce the commercial attractiveness of the Scheme to PCWs quarterly spot-checks should be introduced. To make it attractive to the PCW's the spot checks would have to be shorter than the audits, but nevertheless could include running and comparing test searches as well as looking at the presentation of results.

- 9 Ofcom is proposing to modify the charging schedule to the effect that companies or other entities with two full-time equivalent employees can benefit from the lower charges. Please indicate whether you agree with the proposals, giving reasons and alternatives where appropriate.**

Ombudsman Services does not wish to make a comment on this question.

- 10 Ofcom invites views on any additional publicity that Ofcom should be giving to the Scheme and accredited PCWs and on any changes to the Scheme logo we should consider.**

We welcome Ofcom's efforts to continue to look for opportunities to promote the scheme. A reassessment of the logo is also welcome; any changes should be simple, easily recognisable and understood and distinctive.

- 11 Ofcom is proposing to require accredited PCWs to have a complaints handling process in place, which shall be clearly set out on their websites. Please indicate whether you agree with the proposals and giving reasons and alternatives where appropriate.**

Ombudsman Services fully supports Ofcom's proposal to require accredited PCWs to have a complaints handling process. Our view is that in order to ensure consumer confidence in the site and the service as well as promote the PCW as a responsible internet site the complaints process should have an independent element to it. The process could operate similar to that operated in the communications sector where companies are given up to eight weeks to resolve a complaint. If the PCW is unable to resolve the matter or the complainant is still not satisfied with the answer, they can have their complaint considered by an ombudsman. We are independent of both the consumer and the companies under our jurisdiction, we require companies that are members of our scheme to pay an annual fee as well as a case fee. They are also required to sign a deed poll; this ensures that if the consumer accepts the ombudsman decision the companies also must comply with the decision we make.

**Lewis Shand Smith  
Chief Ombudsman**

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