

26th April 2013

Michele Gibson, TÜV SÜD BABT, Response to Metering & Billing Review

Consultation Questions for Publication

A4.1 We invite stakeholders to respond to any of the questions set out in this consultation as listed below:

Question 1: Do you agree that the Direction should continue to apply fixed and mobile voice services (aside from wholesale services and services for large business) and that its requirements should remain unchanged? Please provide reasons to support your response.

We agree that the Direction should continue to apply to fixed and mobile voice services as a minimum requirement.

The Measurement Limits as defined in Section 5 of the Annexes in the Metering & Billing Direction, as they currently exist can be retained but used as a best practice objective.

Any CP unable to meet the Measurement Limits should be able to provide documented evidence of the following:-

- Acceptable root cause of reasons why Measurement Limits are not being met
- Corrective Action to address the root cause
- Project Plans with timescales in order to facilitate corrective and preventative action.
- Key Performance Indicators to demonstrate improvement.

Question 2: Do you agree that encouraging, but not mandating, the inclusion of data services in the Scheme represents the best way of protecting the users of those services from inaccurate billing?

We do not agree that encouraging, but not mandating, the inclusion of data services in the Scheme represents the best way of protecting the users of those services from inaccurate billing.

Data services are not currently mandated in the Metering & Billing Direction 2008 and as such have not had the scrutiny either from CP's themselves or Approval Bodies. This means that the foundation currently existing to review voice services is not in place for Data. The only way CP's can be encouraged to implement more robust processes for making billing more accurate, would be by making the requirement mandatory.

As an Approval Body, BABT has received no UK based voluntary applications for Data Services to be included in any TMBS. The reason given is that it is too heavy on resource, too difficult and not mandatory.

Also, there is no consistency across the industry in what constitutes data usage. Whether absolute (everything delivered across the network) or relevant data (content specific to product).

Usage tools provided on handsets do not reflect the data usage as determined by the networks. The network tools provided by the network operators do not always reflect the accuracy of the bills in terms of the amount of data used.

In one (not limited to one client) client process document this client is quoted as saying "The network is not set up to evaluate data records as BAU, however tests have been made and the capability to test 4G on the network is there. 4G traffic can be generated." The reason the activity has not been made live to evaluate data records is because the evaluation of data is not yet mandatory in the Metering & Billing Direction.

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Question 3: Do you agree that the provisions on data billing in Annex D of the Direction should be reviewed and updated? Please identify any issues that you believe the review should consider.

Yes we agree that the provisions on data billing in Annex D of the Direction should be reviewed and updated.

The review should reflect current technology and how data is sold/provided to the end user so that performance can be monitored and quantified.

Reference to mobile data services should be more explicit and relevant.

The descriptions of service need to be updated to reflect current technology.

Tolerances need to be reviewed to reflect data volumes and not duration.

Question 4: Do you agree that the scope of the scheme should continue to apply to large businesses? Please provide evidence for your views in particular providing evidence on whether large businesses are able to and do monitor their bills more effectively than other consumers?

We believe that large business **could** be exempt from the Scheme. **However**, the revenue from these large businesses should count towards the £40m relevant revenue threshold for mandating purposes.

The definition for "large business" will have to be well defined and monitored to facilitate implementation. The definition is not consistent across operators.

Large business accounts are typically allocated dedicated Business Account Managers with whom the large business can raise issues. These business account managers are able to escalate any major issues to Senior Management within a CP organisation.

Large businesses have the option to refuse to pay their bills until the CP is able to address all the issues related to the bills in question. It is in the operators interest to retain these customers by ensuring accuracy of charging.

Large business accounts are typically put into DIQ (Debt in Query) by the CP and extra resource applied to deal with any issues related to billing inaccuracy.

Question 5: Do you agree that with the proposal that error rates and tolerances set in the Direction should not apply in respect of business? What requirements should apply in the absence of error rates and tolerances, if any?

Given our answer to Question 4 this question becomes irrelevant.

If however, large businesses are to remain within the Scheme, the feedback supplied in **Question 1** above refers.

A mandatory control framework will need to be put in place in the absence of error rates and tolerances.

Question 6: Do you agree with the suggested definition of a large business as having a communication spend in excess of £50K? Please provide reasons and any evidence for any response.

We **do not** agree that a large business is one having a communication spend in excess of £50k per annum.

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Many companies with an annual spend of £50k are not large businesses and could be comfortably defined as a SME who may not have the power to fight their CP in the wake of any billing issues.

Also, there will be few CP's willing or able to apply the resource to monitor Business Customers who fluctuate either under or over the 50k which will either put them in or out of the Scheme at various times.

BABT's suggestion is that any customer on a bespoke tariff could be construed as a 'large business'. The definition of this will need some careful consideration.

Question 7: Do you agree with the proposal that wholesale services should be removed from the scope of the Direction? Please provide reasons for your views.

No, we do not agree with the proposal that wholesale services should be removed from the scope of the Direction.

All switchless Retail Communications Providers (CPs) will rely on the metering performance of the Wholesale Network / Service Provider who provides the wholesale service. Therefore if wholesale services are taken out, the monitoring of the wholesale service by a third party will effectively be stopped.

Additionally, some retail CPs rely on network rated CDRs for end user billing (i.e. they may not re-rate their CDRs) therefore the end user bill accuracy is wholly dependent on the Wholesale Network / Service Provider billing process.

Also, Retail CPs will rely on the performance of portals and systems run by the Wholesale Network / Service Provider, with information related to the service either being received by the Retail CP or portals accessed to collect that information. In cases where the performance of these portals / systems is degraded the knock on effect can be related to billing accuracy with the Retail CP being unaware of the effect.

For example Wholesale Network / Service Provider system to notify Retail CP of customer ceases is faulty, the result will be that the Retail CP is unaware of a customer leaving his network and billing will continue resulting in overbilling.

The revision of the Metering & Billing Direction in 2011 was intended to include a requirement for the receiving CP needing to be able to determine that the service they received from the wholesale entity met the requirements of the Direction.

Please note that BABT does not consider Interconnect billing (invoices passed from Wholesale Network / Service Provider to Retail CP) to be within the scope of the Metering & Billing Direction.

However, the provision of service from Wholesale Network / Service Provider to the Retail CP is well within the scope of the Metering & Billing Direction and should remain that way.

There is a wide and varied range of wholesale customer interfaces which will depend on the type and level of services being provided.

A **wholesale carrier** is defined as an entity that owns/operates a telecom network and sells network capacity to other telecom service providers.

A **wholesale service** is defined as follows but does not relate to interconnect billing:-

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The provision of service by a wholesale entity to a downstream Communications Provider which can include, but not limited to, one or more of the following interfaces (sometimes managed by timescales and targets, depends on size of service and/or contract):-

- The provision of or access to network services – voice and data
- The passing of call data records – either rated or unrated
- The provision of engineering and installation services to Retail CP end users
- Management of faults and Issues
- Access to portals from which Retail CP customer information can be obtained
- The provision of Retail CP customer information
- The management of Retail CP customer porting requests
- The provision of customer call and care services on behalf of the Retail CP
- Access to resource teams managing the above
- Change management

BABT has evidence of instances where the interfaces and provision of services go wrong and subsequently impact negatively on the service provided to the Retail CP and its end user. This evidence can be provided should the necessity arise.

The accurate provision of data, CDRs, customer information and change information by the Wholesale Service Provider is essential if the end user is to be billed accurately.

Question 8: If wholesale services are removed from the Direction, to what extent should the relationship between retail and wholesale CPs be covered in the Direction?

As mentioned above, BABT is not of the opinion that Wholesale Services should be moved from the Direction.

However, if wholesale services were to be removed from the Direction, retailers would need to be required to treat their wholesale providers as third parties and thus Clause 3.4.5 of the Metering & Billing Direction would have to be invoked.

Exactly how the above could be implemented will need to be included in the Scope of work for the working group for the revised Metering & Billing Direction. Examples given below will demonstrate how interactive the relationship between Wholesaler and CP can be. Also demonstrated is how a Wholesaler can be responsible for affecting the customer experience of an 'end user' being the customer of a CP.

Question 9: Do you have any further observations or evidence on the Metering and Billing Direction?

The review that has been undertaken does not take into account the impact that the move to fibre voice access and LTE (Long Term Evolution - 4G) will have on PATS voice connections during the life of the revised Direction (potentially 5-6 years).

With reference to Clause 3.60 of the Review of the Metering & Billing Direction document, *"the growing importance of data services may suggest that it should be treated in the same way as voice and brought within the Direction. However, data is typically taken with an allowance for a set monthly fee which may also suggest that accuracy of metered charges is less important to consumers if they usually do not exceed their allowance"*.

The above statement may be inaccurate for the following reasons:-

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If the size of the bundles are not proportionately increased to match the speeds offered, the bundle products offered may well be consistently breached and subsequently subject to possible customer complaint. Accurate measurement is required to ensure that bundles are being applied correctly.

Data roaming charges are not included in monthly bundles and the excessive charges levied against out of bundle services.

Evidence gathered whilst auditing mobile providers suggests that roaming data charge errors are disproportionately larger when compared to the overall quantity of data errors. With the associated charges for data roaming, these have a significant impact on bills when they occur.

The increasing prevalence of data related complaints will require more strict application of **Clause 3.4.4 Tariffs** of the Metering & Billing Direction for all services including data.

- Clarity of tariffs – rounding, resolution and charges
- Clarity of contractual and web based marketing information

End of response