

## BSI response to the Metering & Billing consultation Dated 14<sup>th</sup> February 2013

<b>Question</b>
<b>Q1:</b> Do you agree that the Direction should continue to apply to fixed and mobile voice services (aside from wholesale service and services for large businesses) and that its requirements should remain unchanged?
<b>BSI Response</b>
BSI believes this should remain unchanged but to achieve this more emphasis should be placed on systematic performance of the Communication Provider (CP) and more emphasis on Categorisation of the complaints from end users. The use of extraordinary performance failures should be for isolated incidences only. Where an incident occurs that causes a breach of the thresholds but does not indicate systematic on-going risk to billing accuracy the events should be removed from compliance considerations once the incident has been properly dealt with such that future risk is eliminated.
<b>BSI evidence</b>
e.g. CP detected several root causes from increased complaint analysis on Approval body advice. The detection of these incidents caused a temporary decline in measurements compliance. These were recorded as non-compliances but once the root causes were addressed fully the compliance effects were discounted to prevent long term (based on 12 month rolling average) non-compliance masking constructive progress. This case history could be made available to Ofcom on request to demonstrate a process which encourages the CP to look for incidents and eliminate them without being penalised through prevailing non-compliance status.
<b>Q 2:</b> Do you agree that encouraging, but not mandating, the inclusion of data services in the Scheme represent the most proportionate way of protecting the users of those service from inaccurate billing?
<b>BSI Response</b>
BSI does not agree with this statement we believe Data services should be mandated to protect the end user from inaccurate billing for data services
<b>BSI evidence</b>
We have very limited evidence in support of the argument for the inclusion of data services as we have no voluntary applications (High Speed Internet, mobile data or VoIP). However, we know that many scenarios resulting from order management issues affect voice and data equally e.g. bill after cease.
<b>Q3:</b> 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.
<b>BSI Response</b>
BSI believes that Annex D should only be reviewed if Data services are mandated as in Question 2. The review if undertaken should include Approval Bodies (AB's) and Communication Providers (CP's) views and also a review of data roaming charges. Annex D will need to be reviewed if Ofcom incentivise CPs to apply for voluntary approval of data services by increased investigation of CPs with higher levels of complaints. The definition of high speed internet services needs to be reviewed in consideration of a) fixed broadband, wifi, mobile (3G and 4G), b) download and upload speeds, service availability, download limits c) content and applications, d) equipment, e) bundled pricing and offers with respect to voice, broadband, tv, mobile. Annex E (Voice over IP) should also be reviewed in consideration of the service as an access mechanism to the PSTN, as a transport layer and as an application e.g. Skype, Apple Facetime etc. as VoIP potentially gives CPs a way around the switched voice regulation.

<b>BSI evidence</b>
None
<b>Q4:</b> Do you agree that the scope of the scheme should continue to apply to large business?
<b>BSI Response</b>
BSI believes the scheme should continue to apply to large businesses as they do still receive incorrect bills and not all of them have monitoring in place. Excluding a segment of the market may introduce more cost and complexity.
<b>BSI evidence</b>
BSI have approved two CPs that provide services to large businesses who's measurement reports show that it is possible to meet the thresholds with large businesses.
<b>Q5:</b> Do you agree with the proposal that error rates and tolerances set in the Direction should not apply in respect of large businesses? What requirements should apply in the absence of error rates and tolerances if any
<b>BSI Response</b>
BSI does not agree that the error rates & tolerances should not apply in respect of business as there will be no objective way of measuring compliance against the direction. The added complexity of eliminating a segment has a cost.
<b>BSI evidence</b>
BSI have approved two CPs that provide services to large businesses who's measurement reports indicate that these companies do meet the requirements in respect to large businesses.
<b>Q6:</b> Do you agree with the suggested definition of a large business as having a communications spend in excess of £50k?
<b>BSI Response</b>
BSI does not agree with the suggested definition as £50K as it is so dynamic and would be difficult to confirm when multiple services are covered by the direction.
<b>BSI evidence</b>
None
<b>Q7:</b> Do you agree with the proposal that wholesale services should be removed from the scope of the Direction?
<b>BSI Response</b>
BSI does not agree with the proposal that wholesale services should be removed from the scope of the direction. We believe this protects the retail Communication Providers (CP's) from receiving inaccurate data from the wholesalers and consequently inaccurately billing end users. BSI has wholesale clients that meet the requirements of the Direction in this respect.
<b>BSI evidence</b>
See response to question 8

**Q8:** If Wholesale services are removed from the Direction to what extent should the relationship between retail and wholesale CPs be covered in the Direction.

**BSI Response**

If Wholesale services are removed from the direction it would be difficult for the Approval Bodies (AB's) to implement the requirements of the direction on the re-seller alone as they would be the only party subject to the direction. It would be difficult for them to impose measures on the wholesaler to support the requirements to meet their obligations under the direction with regards to supply of data used for their Metering & Billing system. Resellers tend to be smaller than wholesalers and have less commercial leverage to influence wholesalers on behalf of the end users.

**BSI evidence**

- 1) BSI have approved two CPs that provide services to large businesses and to wholesale markets. The approvals are supported by measurement reports which show compliance with the thresholds.
- 2) We have experience of one escalation where the reseller CP was unable to contractually resolve continuing end user billing accuracy issues caused by long term and excessive breach of the thresholds by the wholesale provider. An issues log kept by the reseller CP also documents unsuccessful operational efforts to encourage the wholesale supplier to compliant levels of billing accuracy. This evidence illustrates the impact that wholesale has on end user billing accuracy and the limit of the resellers' ability to commercially control the quality in the asymmetric commercial relationships of wholesale and resale CPs.

**Q9:** Do you have any further observation or evidence on the Metering and Billing Direction?

**BSI Response**

Ofcom does not demonstrate awareness of those CPs meeting or exceeding the relative threshold of £40M. Ofcom could be more visibly active in enforcement of non-compliant, non-applicant and delayed approval CPs. CPs would work harder to comply if they believed enforcement to be a realistic prospect.

**BSI evidence**

None

Mark Littlejohns 13 May 2013

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