



How companies report the quality of their customer service

A summary of our
further consultation

Consultation

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11 May 2009
12 June 2009

Section 1

Quality of Service information

We'd like your views on a significant change.

Ofcom is the independent watchdog for everything from television and radio broadcasting to mobile and fixed-line phone services.

One of our many roles is to encourage healthy competition, so that phone and internet companies will give us all a wide choice, high quality and good value.

That healthy competition works best when, as customers, we're fully in the know. If we're given good information that we can all understand, we're more likely to shop around, make good choices and be willing to switch to better deals.

Getting the information you need

Customers choose a particular phone or internet service for a variety of reasons.

For most people, price is the single most important thing. Obviously, technical factors such as broadband speeds or mobile call quality are also important. But in our research, a significant number of people have told us they also care about the standard of customer service they'll receive if they run into problems. This was echoed by a survey by the Citizens' Advice Bureau which showed that only 3% of people would choose a service purely on price.

At Ofcom, we measure customer service through 'quality of customer service' information ('QoS'). This includes everything from how quickly a company answers the phone, to how many complaints they receive, to how swiftly they move to put things right.

What has Ofcom been doing?

In January 2005, Ofcom published what we call a 'Direction' – a notice calling for action by certain companies who provide fixed-line phone services. We required them to gather and publish up-to-date facts and stats on the quality of their customer service.

As a result, these companies got together as an industry and created <http://www.topcomm.org.uk>

This website publishes the performances of the companies on five particular measures. So in a matter of clicks, you can find out:

- how long it takes each provider to connect customers with a new line;
- how many faults they have to fix;
- how long they take to fix those faults;
- how quickly they deal with complaints; and
- the accuracy of their bills.

In July 2008, after the site had been up and running for two years, we felt the time was right to review the success of the scheme and consider if improvements were needed. In a consultation, we invited everyone to tell us whether they thought Topcomm was doing a good job, and whether the Direction was still the right way to go.

We received responses from the companies that participate in Topcomm, and from some that don't, and from home and business customers. We also carried out our own market research at the same time.

So where are we now?

The views we've received tell us that Topcomm in its current form is not giving the value and benefits to ordinary consumers that we hoped it would. In fact, some believe that big changes are needed to make it worthwhile. .

It is also costing the companies that support Topcomm a lot of time and effort to run the scheme. As the regulator, it's our legal duty to remove burdens on companies that aren't necessary.

Ofcom is now carrying out further work into asking what customers really want. For example, should QoS be a warning system about poor service? Or, as some research has told us, are customers more interested in hard data such as broadband speeds and mobile phone coverage? Or, as the Citizens' Advice Bureau's research says, do customers care deeply about the wider picture of customer service?

Our further work into this area won't be complete until later this year. Meanwhile, with the future of Topcomm uncertain, we need to focus on what to do with it now.

Topcomm: the three options

Having weighed up the facts available to us, we are asking whether we should:

- i) keep the Topcomm Direction and do nothing;
- ii) keep the Direction but modify some of the details of the scheme; or
- iii) remove the Direction immediately.

Option 1: Keep Topcomm as it is now

The pros:

- customers would still have some information on QoS until new regulations, if any, are introduced at a later date; and
- it is good to keep the system up and running because it may play a part in any future scheme.

The cons:

- Topcomm's value is proving to be quite limited. The data it provides hasn't been collected or presented in a particularly useful for consumers to understand ;
- Companies measure things in different ways, so comparing them can potentially mislead customers rather than help them;

- The website only receives about 1000 visits a week ,yet it is costing up to £666,000 a year to run; and
- For Topcomm to continue beyond summer 2009, a new round of discussions and contract negotiations would be needed to retain admin and auditing staff.

Option 2: make some improvements

We could take steps to improve the way Topcomm's measurements are made, to make sure it gives reliable data that's also easy to compare. A marketing campaign could also be launched to raise awareness of the site.

The pros:

- a good source of information, with better quality stats, would be available while we work on a better way forward for the longer-term; and
- publicity could drive more people to the site, making it a more valuable resource that justifies its cost.

The cons:

- any changes to the measurements would have to be agreed by all the companies involved. This would not be easy and would take time;
- changes could cost anything up to £675,000 to make – a big sum for what may be a short-term fix;
- similarly, a marketing campaign would cost a great deal, and would look doubly expensive if the scheme were then scrapped anyway; and
- it may be unfair to ask the companies to spend money on changes when we're still not clear what information customers actually want.

Option 3: close down Topcomm now

This option would mean cancelling Topcomm immediately, without waiting for the further research we're doing now.

The pros:

- the participating firms would save an average of £37,000 each;
- customers would not lose out greatly, since the scheme isn't proving to be that useful;
- It gives the companies the flexibility to decide whether to keep some of their systems in place, for any future scheme, or to dismantle them now and worry about the future later.

The cons:

- Customers would no longer have information on fixed-line providers (although, as we've said, this may not be such a big loss);

- Shutting down Topcomm now would involve costs such as staff re-training etc. However, these are charges that will probably have to be met later anyway;
- companies may have to pay for a new QoS system from scratch if required following our next review.

Ofcom's favoured route: Option 3

Having weighed up the evidence of our research, and the responses we've received, we are now proposing to withdraw the Topcomm scheme.

We believe that:

- most agree that the current scheme is not delivering any great value to customers;
- Topcomm does not provide a framework for any future scheme; and
- it's unfair that companies are being made to foot a large bill for something that isn't working well.

Over to you

At Ofcom, we welcome your views on the issues we've raised on QoS and our proposal to reverse the Topcomm Direction.

Please note that this is only a very basic summary of the consultation. To see the full document, please visit:

<http://www.ofcom.org.uk/consult/condocs/topcomm/howtorespond/form>

We will be holding the consultation for a period of 1 month.

If possible, please give us your views by using the online web form at:

www.ofcom.org.uk/consult/condocs. Please also complete a response cover sheet which you'll find at the same place on our website.

Alternatively, you can fax or post your contribution to:

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Ofcom, Riverside House
2A Southwark Bridge Road
London SE1 9HA

Fax: 020 7783 4103.

The closing date for responses is: **12 June 2009, at 5pm.**

To simplify the process, we do not usually acknowledge that we have received your response.

We think it is important that anyone interested in our consultation can see the views we receive. For this reason, we will post all responses on our website. We will treat your response as confidential only if you ask us to.

Following the consultation, we plan to publish a statement in July 2009.

We also welcome any comments you may have on the way we have organised this consultation process. Please contact:

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