



How Companies Handle Your Complaints

Review of Alternative Dispute Resolution and
Complaints Handling Procedures
Plain English Consultation Document

Consultation

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Closing Date for Responses: 4 October 2008

Introduction

Background

Ofcom is the independent watchdog for the communications industries, so if you're a customer of phone and internet services it's our job to look after your interests.

This includes making sure you get a proper hearing when you have complaints against communications companies (we'll call them 'providers' in this booklet).

This consultation looks at how we are doing this at the moment, and whether there are things we could improve.

Getting a proper hearing

In a perfect world, healthy competition between companies would protect you from problems such as overcharging. But life isn't like that, so if you run into problems Ofcom looks out for your interests in two ways:

- we make sure that your provider has a proper procedure to handle and respond to your complaint; and
- if the complaint still can't be settled, you can take it to an independent third party who we have approved. This is called Alternative Dispute Resolution ('ADR').

At the moment, we require providers to have a written Complaints Code of Practice. Ofcom must see and approve this Complaints Code, and the provider must follow it. In case this doesn't solve the problem, your provider must also be a member of an independent ADR scheme that we have approved: either 'CISAS' or 'Otelio'.

Generally speaking, we think the system is working reasonably well. However, things could be better: we've seen signs of customers being unhappy with the way providers run their own complaints procedures. We have also heard about customers having problems getting access to an ADR scheme.

We are therefore making some new proposals which we think will improve things for customers. Please spend a few minutes reading them, and then tell us what you think.

Changes to Complaints Handling Procedures

What happens when you have a complaint?

If you have a problem with your provider, your first port of call is the company itself. Although most problems will usually be sorted out between you, some aren't – and we've seen signs that a significant number of people are unhappy with the way their complaint is handled.

The impact on customers in terms of time, cost and stress can be very high indeed.

A single Complaints Code of Practice

At the moment, a provider must have a complaints procedure, set out in a Complaints Code of Practice that we have approved.

We're now proposing to replace this with a single Code that all providers must follow. This 'Ofcom Approved Complaints Code of Practice' will set minimum standards for complaints-handling by:

- obliging providers to handle complaints in a fair and reasonable way; and
- insisting that providers are open, accessible, responsive and effective when you raise a complaint.

Although the Ofcom Complaints Code of Practice will give customers a clear level of protection, it will not 'cramp the style' of providers in how they manage their relationships with customers. So if they choose to do more than the Ofcom Complaints Code demands, so much the better.

Keeping records

Ofcom also thinks that providers should keep a log of the complaints they receive. This will help us to take action against them if don't obey the rules.

Changes to ADR

In theory, we all have an option open to us if we aren't happy with the way a provider deals with our complaint: we can go to court. In practice, of course, this route may be far too costly and simply not realistic.

This is why ADR is important: it gives customers a direct route to an independent scheme which will hear their case and make a binding ruling. It is also free of charge to customers, and has powers to award them compensation – and to make sure it is paid.

However, we are not sure that customers are getting the full benefit of ADR, because:

- at the moment, customers have to wait up to 12 weeks before they can take their case to an ADR scheme
- very few customers actually know ADR exists

A faster track to ADR.

At the moment, you're faced with a 12-week wait before you can take a problem to an ADR scheme. This is only speeded up if your provider issues a 'deadlock letter', saying that they cannot or will not provide a solution to your problem. We think this is a long time to have to wait, particularly when you may be suffering stress or losing money as a result.

On the providers' side, sometimes there's little in it for them to speed things up: they have to pay the costs of ADR, no matter who wins the case. So perhaps it's not surprising that some providers simply don't bother with deadlock letters at all.

Our research has found that if a problem is going to be resolved before it gets to ADR, it's likely to happen inside eight weeks. Therefore, we think it's reasonable to propose to cut the waiting period, and open up ADR eight weeks after a customer first makes a complaint.

Telling people about ADR

Clearly, customers need to know about ADR if they're to benefit from it. At the moment, we've found that 15 per cent of adults have heard of one of the ADR Schemes (Otelo and CISAS).

We think the best and most obvious way to publicise ADR is to make sure that the providers themselves tell their customers about it. This should happen when a customer first makes a complaint, unless the provider has good reason to think the problem has been settled. (But if the same problem returns, ADR should then certainly be mentioned.)

We propose that providers should tell customers about ADR:

- when the customer first makes the complaint, to be sure the customer knows there is an alternative; and
- when the complaint is resolved, when they issue a deadlock letter or if a problem is still not settled after eight weeks.

When the providers tell customers about ADR they should:

- do it in writing
- do it in plain English, with no jargon
- give a summary of the complaint
- give details of the ADR scheme that they belong to, and how the customer can contact it; and
- explain when the customer can go to ADR, and what ADR does.

Approving ADR schemes

This consultation is not a formal review of ADR schemes; that will happen in the second half of 2009. However, we are taking this chance to discuss the standards that ADR schemes should meet to earn our approval. For example, we're concerned to hear that some customers are having problems getting access to ADR.

To be approved by us, the schemes will need to show that they're easy to reach and deal with, and that they're independent, fair, efficient, open and do what they say. If we find evidence of any serious problems, we may decide to bring forward the formal ADR review.

Our consultation: how to take part

How long will we be consulting for?

We will be holding the consultation for a period of 12 weeks.

How do I tell Ofcom what I think?

If possible, please attach your response as a Microsoft Word document. Please also attach the response cover sheet, which you can download separately from the 'Consultations' section of our website at: <http://www.ofcom.org.uk/consult/244504/>

You can also post, fax or email your response, marked 'Review of ADR and Complaints Handling Procedures - Consultation' to:

Alan Pridmore
Consumer Policy Manager
Ofcom
Riverside House
2A Southwark Bridge Road
London
SE1 9HA.

Fax: 020 7981 3706

Email: complaintshandlingreview@ofcom.org.uk

The closing date for responses is **4 October 2008**, 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 when the consultation period is over. We will treat your response as confidential only if you ask us to.

Any general comments?

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

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After the consultation: next steps

Depending on the results of our consultation, we aim to publish a final statement by autumn 2008.