

JUNE 2015 BULLETIN

Ofcom's Chief Executive challenges industry to improve service

Ofcom Chief Executive Sharon White told the UK's communications providers that they must serve their customers better.

In her first speech since becoming Chief Executive, Ms. White, who was speaking at a Which? conference, said that while customer service levels in the communications industry have improved, people still find it too difficult to change provider and cancel contracts, and are frustrated with customer service.

A new set of measures to better protect and empower consumers was announced by Ofcom to coincide with Ms. White's speech. These include a strengthened [Code of Practice on broadband speeds](#), allowing customers to exit a contract should speeds fall below acceptable levels; and new processes to make switching broadband and landline providers easier. Ofcom also plans to make it easier for consumers to change mobile providers.

In her speech, Ms. White outlined four areas of focus for industry to improve upon. These are:

- **Better information:** Making available clear and accurate information in advertising and at point of sale so that consumers can genuinely compare offers and make effective choices.
- **Easier switching:** Ensuring straightforward processes when consumers want to switch, including cancelling services without entanglement - and coordination between providers for a smooth transfer.
- **Improved contract terms:** Clear and fair terms with no hidden charges or lock-ins.
- **Better complaints handling:** Setting out simple steps when consumers wish to complain or when things go wrong. It means doing everything possible to avoid a dispute in the first place, including the opportunity for consumers to 'walk away' when services fall short. It also means clear signposting of alternative dispute resolution services - which are free to use.

The regulator has also announced an [enforcement programme](#) into the difficulties experienced by consumers trying to exit their communications service contracts.

A copy of Ms. White's [speech](#) is published on the Ofcom website.

Inclusive Communications at BT Tower

Panel member, Mairi Macleod, presented at Ofcom's inclusive communications event, held at the BT Tower in London, where around 90 delegates from the public and private sector learned about the importance of inclusive communications for disabled consumers.

Mairi provided a preview of research that the Panel has commissioned into older and disabled people's experience of contacting communications businesses and services by phone.

She was joined by Ofcom's Director of Consumer Affairs, who discussed the Next Generation Relay Service and how it was delivering better access to the phone for deaf and speech-impaired individuals whilst highlighting the important role that other organisations had to play in improving accessibility.

A representative of the Scottish government talked about their [pilot of video relay](#) which allows deaf people throughout Scotland to use British Sign Language to make contact with public services, such as, their doctor or council services. The pilot has been running since March and the team will soon be making recommendations to Ministers about the future of the service.

A representative from the Department of Health was also on hand to talk about the trial of video relay access to NHS 111 that began in mid-May.

Attendees were also given an insight into the personal experiences of disabled users while the Information Commissioner's Office told delegates that there was nothing in the Data Protection Act to prevent business from accepting calls via an interpreter, relay assistant or personal assistant.

Better Broadband for Small Business

Ofcom has published a new report, [Broadband Services for SMEs](#), a detailed study into how well small and medium-sized enterprises (SMEs) are served by the communications market.

Based on this research, Ofcom has called for joint action between the regulator, industry and government to improve broadband services for smaller businesses.

The report finds that 83% of small businesses consider communications services to be fundamental to their business, and 78% use a fixed broadband connection.

While 85% of SMEs feel their business needs are well catered-for by the communications market, a significant number expressed concerns around broadband speeds, availability, quality of service and choosing between providers.

New Code for business broadband

The research found that a fifth of smaller businesses are unhappy at not being able to access the broadband speeds they were led to expect. To help address this problem and improve the level of information and advice about actual broadband speeds, Ofcom has announced an agreement from three of the UK's largest suppliers - BT, TalkTalk and Virgin

Media, which account for the majority of business broadband users - to work on a new Code of Practice for business broadband services.

The Code for business broadband is expected to cover similar areas as the [Code of Practice on Broadband Speeds](#) which currently protects consumers, however it may need to be tailored to particular needs of smaller businesses - for example, by offering commitments relating to upload speeds (which are particularly important to many businesses) as well as download speeds. Ofcom aims to publish the Code in the autumn.

Improving coverage

Previous Ofcom research¹ showed that SMEs are less well served by superfast broadband than residential users, with only 56% of SME premises having access to superfast broadband compared to 75% of all UK premises.

However, under currently industry and Government plans, Ofcom is concerned that not all SMEs will benefit. Ofcom's analysis suggests that by 2017, when 95% of all premises are due to have access, around 18% of SMEs may still not be able to receive superfast broadband.

This is partly because it usually costs more to connect business premises than households, and because current deployment plans are designed to maximise coverage among as many premises as possible.

Ofcom is therefore recommending to the Government - which is reviewing the universal telecoms service, and planning for future superfast roll-out - that explicit targets for business coverage are set to help ensure SMEs have access to the right technology.

Opportunity for faster repairs

Currently, Most SMEs are not being given the option of paying for faster fault repairs, even though a working broadband connection is essential to many companies' ability to run their business.

Openreach, the company that installs and maintains connections to BT's network on behalf of competing providers, offers an enhanced service to retail providers under which faults can be repaired within six hours of being reported. However, most providers do not make this option available to business broadband customers.

Ofcom believes SMEs should be able to decide for themselves whether they want to pay for this level of service, which might be expected to cost a few pounds extra per month. Ofcom is now discussing this with providers and considering further action as part of this year's Strategic Review of Digital Communications.

Ofcom is taking additional steps, as part of an on-going action plan to help improve the accessibility of communications services for small businesses.

¹ Ofcom's [Infrastructure Report](#), December 2014

The research also revealed that around half of SMEs struggle to compare information about suppliers and tariffs. This is compounded by a lack of information on some operators' websites about prices, services and contracts.

Ofcom will be taking action to make sure that providers are complying with their regulatory obligations to provide information on their websites.

Businesses should also be able to switch provider easily, so that competition in the market works effectively. On 20 June, Ofcom introduced [new rules](#) that mean businesses with fewer than 10 employees (as well as consumers) can switch provider over BT's network by only dealing with their new supplier.

Further details can be found [here](#).

Which? research finds millions of households are not getting the promised headline speeds on their broadband packages.

New Which? research has found that just 17% of homes received an average broadband speed that matched the advertised level and even fewer (15%) managed this during the peak evening period. 74% of households (equivalent to 15.4 million homes) with fixed broadband connections were paying for packages with advertised speeds they didn't get.

The analysis also found that broadband users in rural areas are more poorly served than people in urban areas. While three in 10 (31%) households in towns and cities were able to receive a maximum speed that matched the one advertised, 98% of rural homes didn't typically get the advertised speed.

The research was carried out as part of Which?'s *'Give us broadband speed guaranteed'* campaign.

An overview of the research along with the research report is available on the [Which? website](#).

MP supports Subtitle It! campaign with Private Members Bill

Labour MP Lilian Greenwood has submitted a new Private Members Bill to the House of Commons, in support of Action on Hearing Loss's campaign to ensure the millions of deaf and hard of hearing people who rely on subtitles can equally access 'on demand' TV and film through new media services.

Access to TV programmes for people with hearing loss has vastly improved in recent years, however more than 80 per cent of on demand providers don't offer any subtitles for 'catch up' content.

The Private Members Bill, which comes just weeks after Action on Hearing Loss launched its [Subtitle It!](#) campaign, aims to amend the 12-year old Communications Act (2003) and introduce regulations for subtitles, audio description and signing on video-on-demand services. Over 3,000 people have already signed the petition, calling on the Government to review legislation for subtitles, audio description and signing on video-on-demand services in 2016.

For more information or to sign the Subtitle It! petition, visit actiononhearingloss.org.uk/subtitleit

Ofcom to review the regulation of Royal Mail

Ofcom has announced a fundamental review of the regulation of Royal Mail.

The review is to ensure regulation remains appropriate and sufficient to secure the universal postal service, given the recent withdrawal by Whistl from the 'direct delivery' letters market, which has resulted in Royal Mail no longer being subject to national competition.

Ofcom's review will incorporate its existing work, [announced in December](#), to assess Royal Mail's efficiency; consider its performance in the parcels market; and assess the company's potential ability to set wholesale prices in a way that might harm competition. In addition, the review will address the implications of Whistl's withdrawal, which represents a significant change in the direct delivery market.

Ofcom will outline its initial thoughts and begin seeking formal submissions from industry, consumer groups and other stakeholders in July.

The review is expected to be completed, and a revised regulatory framework put in place, during 2016.

Further details can be found [here](#).

Telephone charges to be made simpler

Ofcom will introduce clearer call charges for calls made by landline and mobile phones to numbers starting 084, 087, 09 and 118 from 1 July, while Freephone (0800 and 0808 numbers) will become free from mobiles.

People use these 'service numbers' every day for finding out information, contacting a business or helpline, or using competition, directory-enquiry, entertainment and voting services. In the UK, callers spend a total of 250m hours calling these service numbers, spending around £900m between them, according to Ofcom research.

Until now, callers to these numbers have not generally been told by the service provider how much they will be charged. From 1 July, charges for service numbers will be made up of an 'access charge' going to the phone company, plus a 'service charge' set by the company or organisation being called.

The changes will be supported by marketing and in advertising from 1 July, under changes known as UK Calling. Phone companies will be responsible for setting their access charge, making it clear to consumers on their bills and informing new customers of the charge when they sign up to a contract. Separately, the service provider - the party being contacted - will specify its service charge wherever it advertises or communicates the phone number.

So consumers will be able to understand the exact cost of making the call by adding the access and service charges together. They will also be able to compare the prices of different service providers more easily, and also choose a provider with a competitive access charge when signing up to a new landline or mobile deal.

As part of UK Calling, Freephone numbers (beginning 0800 and 0808) will become free for consumers to call from mobile phones, just as they generally are from landlines.

Further details can be found on [Ofcom's website](#).

CMA acts to maintain trust in online reviews and endorsements

The Competition and Markets Authority (CMA) has published a report based on its call for information on online reviews and endorsements which was opened in February 2015.

The report estimates that more than half of UK adults (54%) use online reviews, and that 6% use blogs or vlogs before making purchases. Most buyers who used reviews and endorsements found that the product or service they bought matched up to their expectations.

However, the CMA has also heard about instances of potentially misleading practices including:

- fake reviews being posted onto review sites
- negative reviews not being published
- businesses paying for endorsements in blogs and other online articles without this being made clear to consumers

In response, the CMA has [opened an investigation](#) using its consumer enforcement powers into a number of companies in connection with the potential non-disclosure of paid endorsements. Other concerns that have been raised with the CMA are being assessed to determine whether enforcement action is warranted.

The CMA has also produced [information for businesses](#) explaining what they need to do to help them comply with the law, alongside a comprehensive [report on its findings](#).

List of television channels required to provide television access services in 2016

Ofcom has published a list of the TV channels required to provide access services (subtitling, signing and audio description) on a proportion of their programmes in 2016.

Access services are intended to help people with sensory impairments to understand and enjoy TV programmes.

Eighty-three domestic channels will be required to provide access services next year, compared with 79 in 2015. These channels account for over 90% of the audience viewing share for UK TV.

In addition, 40 non-domestic channels across eight different member states of the European Union will be required to provide access services in 2016.

Ofcom's [statement](#) also sets out the levels at which the relevant channels must provide these services.

Details of planned new electricity helpline announced

A new telephone service under development to offer help and advice to people suffering an electricity power cut will use the number 105.

Energy Networks Association (ENA), the body representing the UK's energy supply industry, is developing the helpline which will provide a single telephone number for people anywhere in Britain to contact their electricity network operator to report a power cut or safety concern, or receive reassurance during a blackout. The new helpline is due to launch in April 2016.

Following consultation Ofcom, which manages the UK's telephone numbers, concluded that a three-digit number would be appropriate for the new service, and has decided to make the number 105 available, as requested by ENA.

The new service is being created following industry research that highlighted most people were unaware that power supply problems should be reported not to their electricity supplier, but to their local 'electricity network operator' - one of the companies that collectively run the electricity networks that serve England, Scotland and Wales.

This problem was highlighted during severe storms that affected the UK in the winter of 2013/14. These caused electricity disruptions for 750,000 homes, with telephone calls about the resulting problems peaking at 800,000 in the month of December 2013.

Presently, each electricity network operator has its own 11-digit contact number, making it hard for people to know which number to phone to report an incident or seek urgent advice - especially during a power cut, when lights and internet access are often unavailable. This led the Government and ENA to plan a single-number service.

The Government's Department for Energy and Climate Change is working with ENA and the electricity network operators on plans for an awareness campaign that will promote the new helpline. This would also explain that the service is not intended as a substitute for the existing 999/112 service in cases of emergency.

A [press release](#) providing details on the new helpline can be found on the Ofcom website.

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