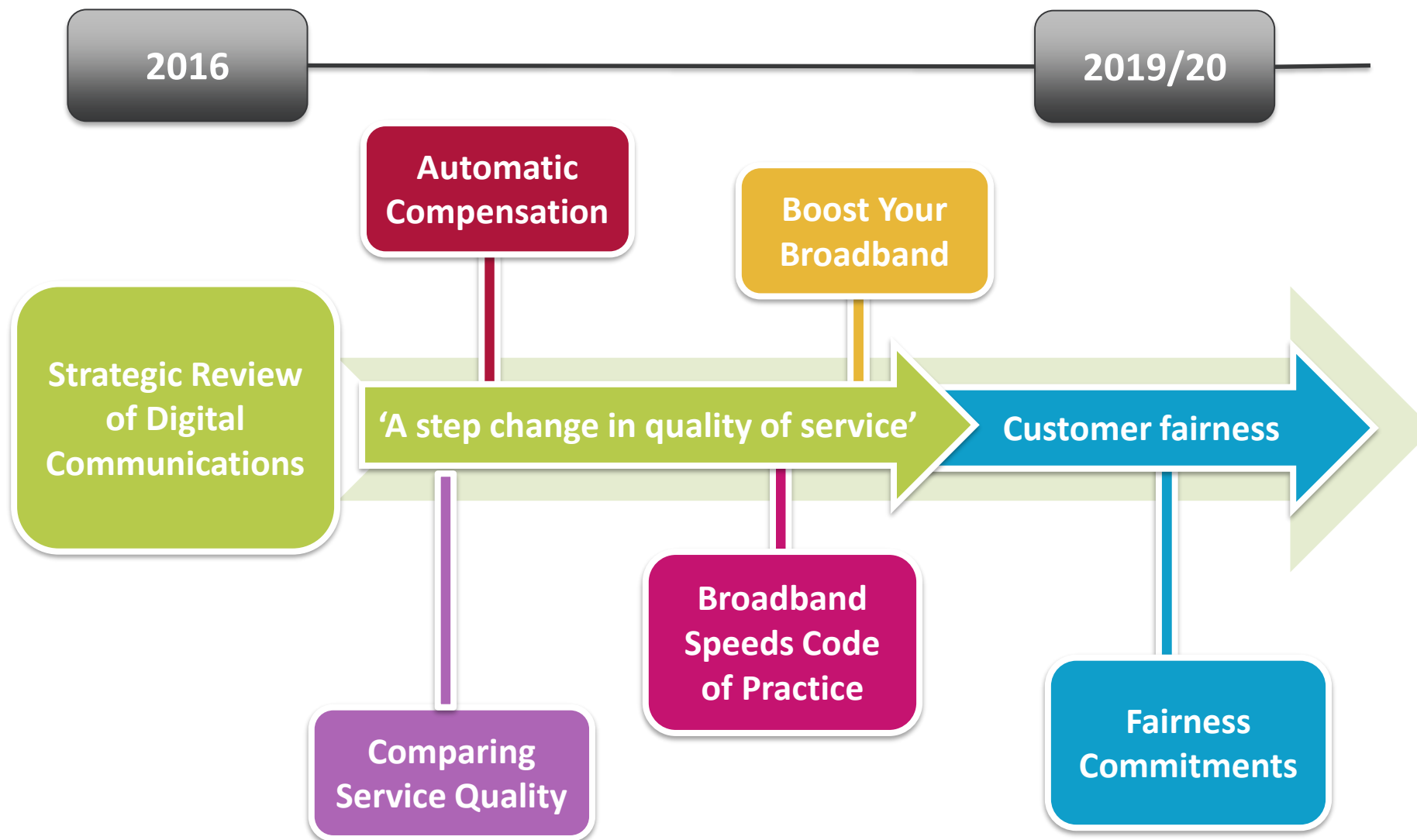


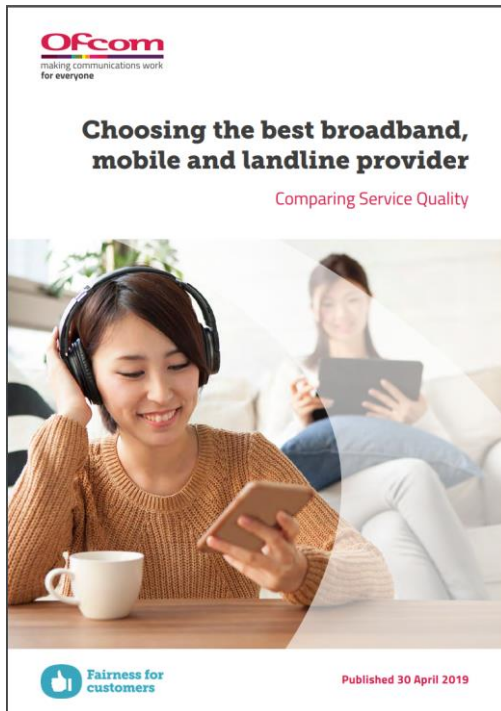
A strategy to deliver a step change in quality of service in telecoms

Cristina Luna-Esteban, Consumer Policy Director at Ofcom

21 November 2019

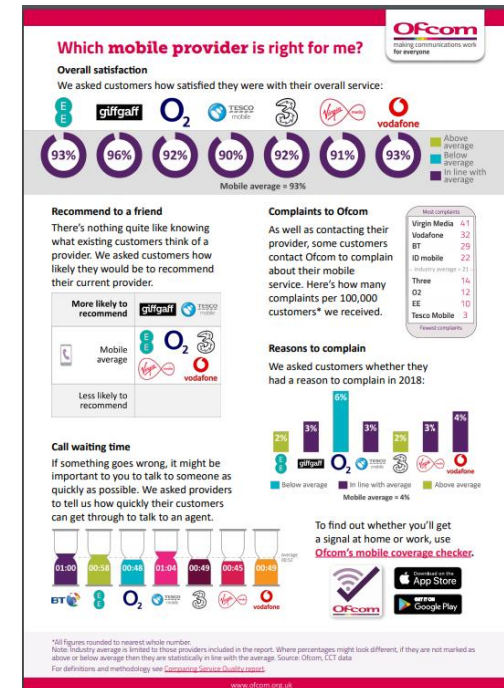


Comparing service quality



Report

Interactive Report



Factsheets

Automatic Compensation

Consumers receive adequate compensation when their provider does not deliver service quality in line with consumers' reasonable expectations, and that they receive this automatically

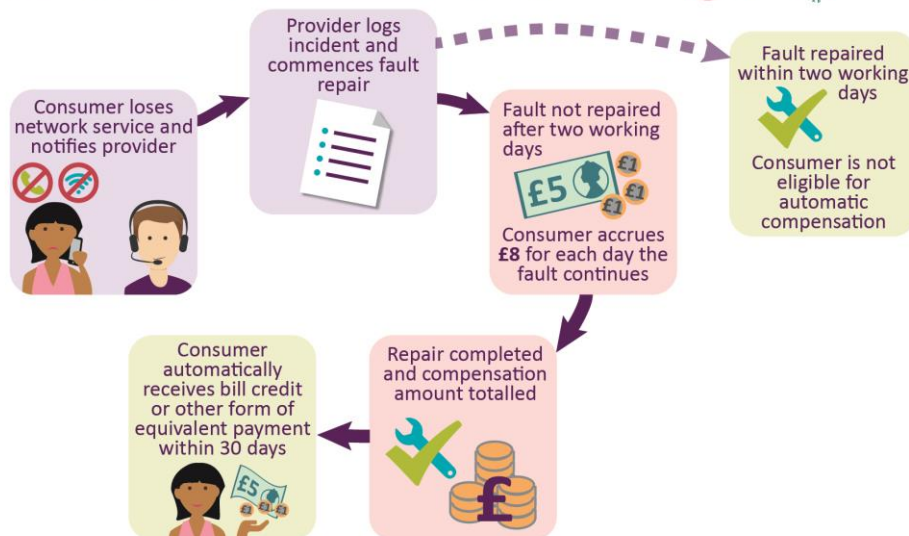
Providers have greater incentives to improve the service quality they deliver



How it works for consumers

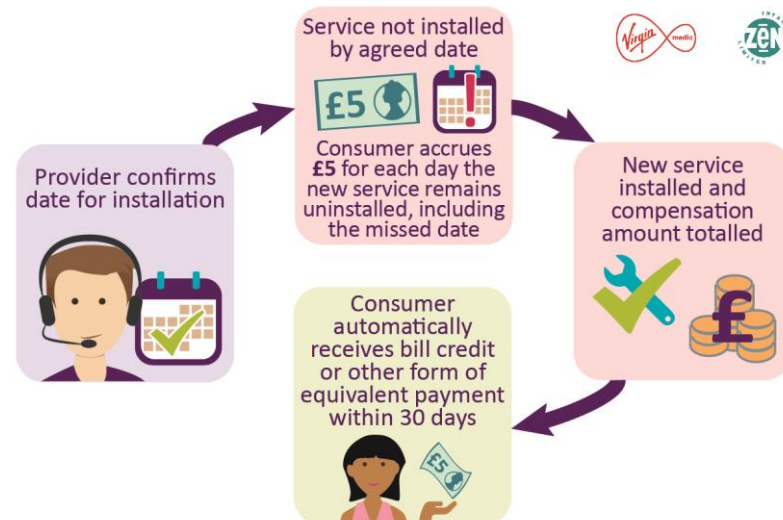
Delayed repair

Loss of service not restored after two working days



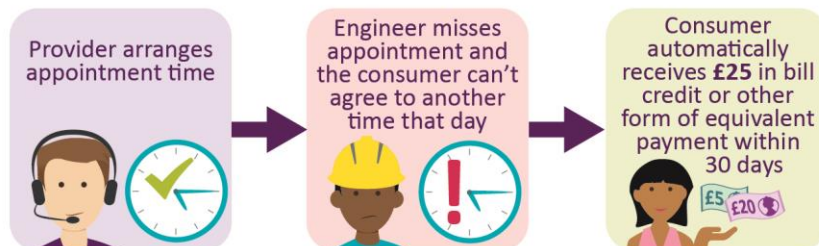
Delayed start of service

Service not installed by the agreed date



Missed appointments

An appointment is missed or cancelled with less than 24 hours notice



Why a voluntary deal and not regulation?



There are some risks...

- Not all consumers covered – but more may join and consumers can exercise choice
- Providers could exit the scheme in the future
- Design of the scheme and compensation amounts can be changed
- Cannot enforce – is reputation enough of a safeguard?

Good outcomes for consumers...

- About £142m in pay-outs – around nine times the level consumers were getting before the scheme was introduced
- New compensation scheme will benefit millions who suffer from poor service
- Industry accepted the principle and need for automatic compensation – big win
- Quicker to implement

Can a voluntary scheme work?

Industry were incentivised to engage early with the scheme...

- **Carrot and stick approach**
 - Opportunity to get involved in the design of the scheme
 - Credible threat of possible future regulation
- Reputationally good
- Alignment of provider incentives – not always the case



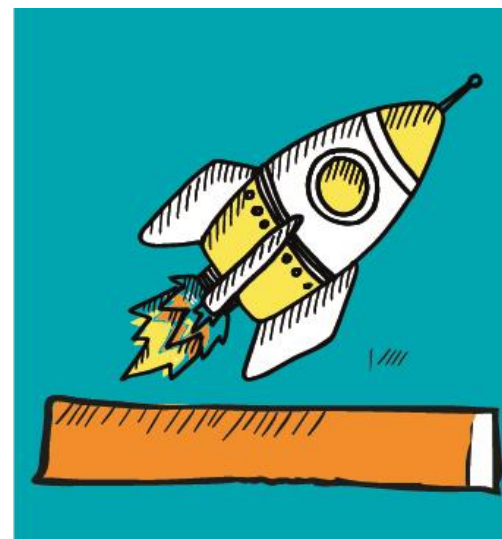
Need to keep the pressure on



- Providers need to send information on the amount of compensation they pay under the scheme.
- Scheme review in 2020/21
- Possibility of regulation

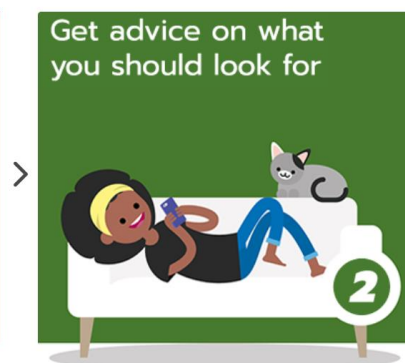
Broadband Speeds Code of Practice

- Provides customers with realistic speed estimates at the point of sale which reflect **peak times** (8-10pm residential and 12-2pm for business customers).
- Always provides a **minimum guaranteed speed** at the point of sale.
- Customers have a **right to exit** if speeds fall below the minimum guaranteed level, including bundles.
- **All customers** benefit from the Code of Practice regardless of their broadband technology.



Independent information and advice is also an important part of the strategy to improve service

- **Boost your Broadband** campaign to help people get better broadband deals.
- Dedicated website for consumers to check broadband options and make a decision about the package they need and tips on how to get the best deal.



**BOOST
YOUR
BROADBAND**

From quality of service to a focus on fairness...

- Competitive telecoms and pay TV sectors delivering lower prices, wider coverage and better reliability.
- **But...**
- Providers don't always make it easy for customers to get the best deal.
- Next step in improving quality of service is ensuring fairness for customers is the heart of the communications industry.



**Fairness for
Customers**

Fairness for Customers Commitments

- **Commitment 1:** Customers get a fair deal, which is right for their needs.
- **Commitment 2:** Customers get the support they need when their circumstances make them vulnerable.
- **Commitment 3:** Customers are supported to make well-informed decisions with clear information about their options before, during, and at the end of their contract.
- **Commitment 4:** Customers' services work as promised, reliably over time. If things go wrong providers give a prompt response to fix problems and take appropriate action to help their customers, which may include providing compensation where relevant.
- **Commitment 5:** Customers can sign up to, change and leave their services quickly and smoothly.
- **Commitment 6:** Customers can be confident that fair treatment is a central part of their provider's culture.

Excellent customer service

Choice and quality

Fair treatment



**Fairness for
Customers**