



Ombudsman  
Services

Good for consumers – Good for business

Annual Activity Report  
for Ombudsman  
Services:  
Communications  
July 2017 – June 2018

## Ombudsman Services: Communications

In June 2015 Ombudsman Services: Communications (OS:C) was approved by Ofcom to provide alternative dispute resolution under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (the Regulations). Services/products that fall within the jurisdiction of OS:C include those provided to domestic and/or small business customers which fall within the scope of “electronic communications services” as defined under Section 32(2) of the Communications Act 2003. As part of Ofcom’s approval, under Schedule 5 of the Regulations, OS:C is required to produce an annual activity report which contains the information below:

### a) The number of domestic disputes and cross-border disputes the ADR entity has received

OS:C received 68,567 disputes during the reporting period. A dispute is defined as a request from a complainant notifying OS:C of an unresolved complaint for investigation. Of these cases 30,732 fell within scope of what OS:C can deal with.

114 of the total cases received were Cross Border disputes. Of these cases 75 fell within scope of what OS:C can deal with.

### b) The types of complaints to which the domestic disputes and cross-border disputes relate

The following tables set out the types of domestic and cross-border disputes that were referred to OS:C within the reporting period which came within the scope of what OS:C can deal with.

Non Cross Border Complaints	
Complaint Types	Number of Cases
Billing	10189
Customer Service	3844
Payments and Debt	2
Transfer	1
Contract Issues	4283
Equipment	1770
Mis-sell	1863
Other	372
Security	549
Service quality	7789
<b>Grand Total</b>	<b>30662</b>

Cross Border Complaints	
Complaint Types	Number of Cases
Billing	23
Customer Service	7
Contract Issues	13
Equipment	4
Mis-sell	8
Other	1
Security	1
Service quality	18
<b>Grand Total</b>	<b>75</b>

**c) A description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity**

Consumers lack of understanding and ability to monitor and limit data accessed via mobile devices results in significant charges. The cost of data accessed outside of agreed limits is often high. When combined with the increasingly fast rate at which data is consumed, disputes commonly follow.

Price increases implemented mid-contract are a common driver of disputes. The rules determining when a customer has the opportunity to cancel a contract and how this information must be communicated is clear. However, disputes often arise from consumers claiming a lack of notification. In addition consumers highlight confusing notifications where cancellation rights are not made clear.

Issues with the way some medium-sized mobile providers implemented the new Roam Like at Home regulations has resulted in disputes. Inconsistencies and deviations from the new rules have disadvantaged consumers resulting in increased charges.

**d) Any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices**

The introduction of regulation later this year requiring traders to offer billing limits to consumers will help provide protection against unexpected data charges. Educating consumers at the point of sale regarding the facilities available to monitor and limit usage should also be a priority.

Clear and timely communication to inform consumers of intended mid-contract price rises along with clear instructions informing the opportunity to cancel and the action required to achieve this.

Traders should ensure adequate resources are in place to achieve full and timely compliance with regulation.

**e) The number of disputes which the ADR entity has refused to deal with and upon what grounds**

The number of disputes which OS:C has refused to deal with during the reporting period was 17,021. The percentage breakdown of the reasons for refusal is given below.

Reason for Refusal	Number of Cases
(a) Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader	96.86%
(b) The dispute is frivolous or vexatious.	0.0%
(c) The dispute is being, or has been previously, considered by another certified ADR provider or by a court;	2.51%
(d) The value of the claim falls below or above the monetary thresholds you have set.	0.0%
(e) The consumer has not submitted a complaint to you within the time period specified by you for dealing with complaints, provided that such time period is not less than 12 Months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.	0.0%
(f) Dealing with such a type of dispute would seriously impair the effective operation of your ADR operation.	0.6%

**f) The percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation**

The number of complaints that were discontinued by OS:C during the reporting period for operational reasons was 19,889. This represents 29% of the total amount of disputes received. The table below is the percentage breakdown of the reasons for the discontinuation:

Reason for Refusal	Number of Cases
The subject matter of the dispute did not fall within the scope of what OS; Communications can consider under its scheme rules	37.0%
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	56.0%
The trader that the consumer is complaining about was not registered with OS as its ADR entity	1.0%
The consumer was not a 'customer' of the trader	6.0%

**g) The average time taken to resolve domestic disputes and cross-border disputes;**

The average time taken to resolve a domestic dispute is 39 days and for a cross-border dispute is 41 days.

**h) The rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures;**

In the reporting period there have been 21,338 remedies confirmed, of which 19,475 or 91% were implemented within 28 days and 1,534 or 7% implemented outside of 28 days. Of the total confirmed remedies, 329 or 2% remain unimplemented after 28 days.

OS:C follows a process to pursue traders who fail to implement a binding decision within the required timeframe. OS:C will report a trader to the regulator for sustained failure to implement binding decision within the required timeframes. OS:C will also consider the membership status of participating companies who fail to comply with binding decisions, with a view to terminating that membership.

**i) The co-operation if any, of the ADR entity within any network of ADR entities which facilitates the resolution of cross-border disputes**

OS:C investigates very few cross border disputes as a proportion of the overall cases handled by the service. OS:C is not affiliated with an ADR network as described in this section.