

# Annual Activity report

The Consumer Ombudsman

Oct 2017 to Sep 2018

## **The Consumer Ombudsman**

In June 2015, The Consumer Ombudsman (TCO) was approved by the Chartered Institute of Trading Standards (CTSI) to provide alternative dispute resolution services under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (the Regulations).

As part of that approval, under Schedule 5 of the Regulations, TCO is required to produce an annual activity report that contains the information below:

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

TCO received 5,085 disputes during the reporting period. A dispute is defined as, a request from a complainant notifying TCO of an unresolved complaint for investigation.

The cases received are all currently domestic disputes with no cross-border disputes recorded.

It is important to recognise that despite a pro-active approach to engage with companies The Consumer Ombudsman was able to accept only 220 cases during the reporting period. The low conversion rate is the result of trader's not engaging with ADR. Engagement with an ADR body is not mandatory when a complaint fails to be resolved using a company's internal complaint handling process. The result is many disputes remain unresolved with consumers left with no recourse to free alternative dispute resolution.

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

Complaint type	Volume
Customer Service- Poor Customer Service	52
Claims Process- Product Replacement	41
Repair- Poor Service	25
Repair- Quality	18
Repair- Damage	14
Customer Data- Customer Details	12
Customer Data- Payment Details	9
Sales Process- Miss-sell	6
Faulty	5
Faulty goods	5
Dispute- Plan Set Up	4
Other	4
Customer Service- Process Failure	3
Repair- Delay over 6 days	3
Sales Process- Misleading Information	2
Mis-selling	2
Quality of service	2
Quality of customer service	2
Data protection	1
Non-delivery	1
Not fit for purpose	1
contract issues	1
Repair- Delay up to 5 days	1
Claims Process- Claim Rejected	1
Dispute- Auto Renewal	1
Refunds	1
Dispute- Premium	1
Commercial Issue	1
Incorrect Bill / Disputed Charges	1

**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**

The top three complaint types detailed in section (b) include poor customer service, product replacement issues, and poor service concerning repairs.

Standards of customer service remain a common reason for disputes between consumers and traders. Delays, poor communication and/or unprofessional behaviour by staff fall within this area. It is clear that customers are sensitive to the standard of service they receive from traders.

Complaints regarding product replacement issues occur frequently. These disputes often concern the suitability of replacement products under a repair plan. The plans usually provide a “same or similar” technical specification basis. The replacement goods a consumer receives will not always meet expectations. We frequently adjudicate disputes that relate to this mismatch of consumer expectations against the conditions of the policy in dispute.

We see numerous disputes involving engineer visits to customer’s properties to diagnose and fix problems under repair plan policies. Common issues here are misdiagnosis of the issue, failure to repair at the first appointment and availability of parts to enable repairs.

**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**

Trader’s should carry out appropriate training to ensure front line staff are polite and capable of dealing with issues effectively at the first point of contact. Staff training should include expectation management to prevent avoidable disputes.

Traders should satisfy themselves that partner companies carrying out repairs/inspections, in relation to repair plans, have appropriate training and customer care policies in place to ensure a good customer experience.

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

TCO received 5,085 complaints during the reporting period. Of these 220 complaints were accepted and 4,865 complaints were rejected. 4,822 complaints were about companies that do not participate in TCO. Those complaints were rejected for this reason.

44 cases were rejected for the following reasons:

Reason for refusal	Number
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	7
Operational reasons	36

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

The following represent the operational reasons for discontinuing our consideration of a complaint:

Operational reason for refusal	Number
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	31
Complaint about incorrect service provider who was not a member	3
Complaint withdrawn by consumer	2

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

The average time taken from case file received to a proposal being issued is 35 days. No cross-border disputes were received.

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

Data to confirm the rate of compliance is not currently available.

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

TCO does not co-operate with other ADR entities in the way described here.