

# Annual Activity Report for Ombudsman Services (CTSI)

October 2021 - September 2022



In June 2015, Ombudsman Services [OS] was approved by the Chartered Institute of Trading Standards [CTSI] to provide alternative dispute resolution services [ADR] 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, OS 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**

OS received 551 disputes during the reporting period. A dispute is defined as a request from a consumer notifying OS of an unresolved complaint for investigation. Of these cases 276 fell within scope of what OS can deal with.

None of the total cases received related to Cross Border disputes.

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

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

## Non-Cross Border Complaints

Complaint Type	Number of cases
Claims	68
Repair	83
Quality of Service	53
Sales	28
Other	44
Grand total	276

**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**

Issues relating to repair is now the most common complaint type, taking over from claims. Specifically, we have seen concerns around Repair and Care plans. These are plans which are set up when a consumer has an appliance that already has a fault. If the reported fault is fixed during the first visit then the plan will continue to provide cover for the remainder of the term. If the fault reported is identified as being irreparable during the first visit then the plan is cancelled and any premiums paid refunded to the consumer.

In some instances the initial reported fault can often result in several engineer visits before it is deemed that the appliance can't be repaired. Complaints may arise if the engineer at the first visit fails to inform the consumer that the appliance is likely to be irreparable. If they don't do this, it means consumers may conclude that subsequent engineer visits aren't classed as the first repair visit, and believe that the plan should then become active when this is not the case. We note this is explained in the terms and conditions, but it appears consumers are not made aware of this when they first take the plans out and this can result in a complaint.

Customer service issues have also increased within the reporting period. The problems reported include the length of time consumers have to spend on the phone trying to speak to an adviser, being passed around different departments and explaining the same problem a number of times to different advisers. This process can be very time consuming for consumers and has added to what is already a stressful situation.

- 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**

While we have seen some improvements in explanatory letters, some concerns still remain. The use of standard template type letters is still prevalent and in some instances the letters contain a different message to what the actual consumer's issue is. We would therefore recommend care is taken in response letters and bespoke detailed responses are provided to reduce the possibility of disputes arising.

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

OS did not record any disputes that we had refused to deal with.

- 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 during the reporting period for operational reasons was 273. The table below illustrates the percentage breakdown of the reasons for the discontinuation. In addition, 2 consumers decided to withdraw their complaints from the process.

Reason for refusal	% of cases
The subject matter of the dispute did not fall within the scope of what OS; Energy can consider under its scheme rules	0%
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	100%
The trader that the consumer is complaining about was not registered with OS as its ADR entity	0%
The consumer was not a 'customer' of the trader	0%

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

The average time taken to resolve a domestic dispute is 42 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. However, OS follows a process to pursue any trader that fails to implement a binding decision within the required timeframe. OS will review the membership status of any trader that fails to comply with a binding decision, 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

Ombudsman Services has not needed to co-operate with other ADR entities, as we received no Cross Border disputes.



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