

The Telecommunications Ombudsman: vehicle of industry self-regulation

11th CEPT conference – October 2003

Background

- RVTD: Directive 98/10/EC
- Distinction drawn between types of disputes
- Consultation on disputes between consumers and their operator or service provider
- “Developing of Telecommunications Ombudsman”, March 2001

Background

- “Implementation of Telecommunications Ombudsman Scheme”, July 2001
- To be voluntary
- Flexible scope
- Anticipating requirements of USD 2002/22/EC

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More background

- Go to:
www.oftel.gov.uk
- Click on:
Publications
- Then:
Review of dispute procedure schemes,
4 August 2003

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Progress

- Telecommunications Ombudsman Service Ltd: established June 2002
- Ombudsman: Elizabeth France appointed October 2002
- Service: open for business January 2003
- Approved under s54 of the Communications Act: September 2003

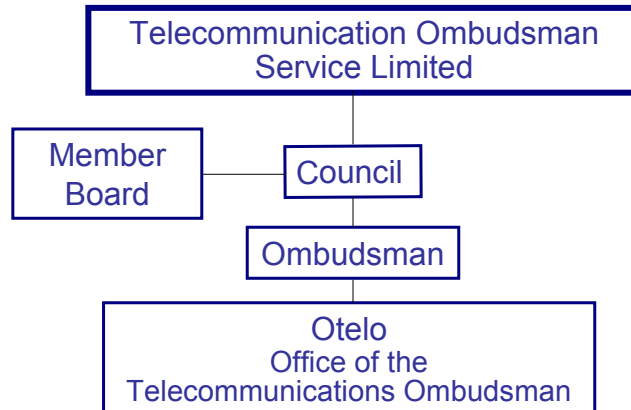


Structure of the Service

- The Telecommunications Ombudsman Service Limited (TOSL)
- Not-for-profit company
- Limited by guarantee
- Membership is voluntary and,
- By application to the Council



Ombudsman Service Structure



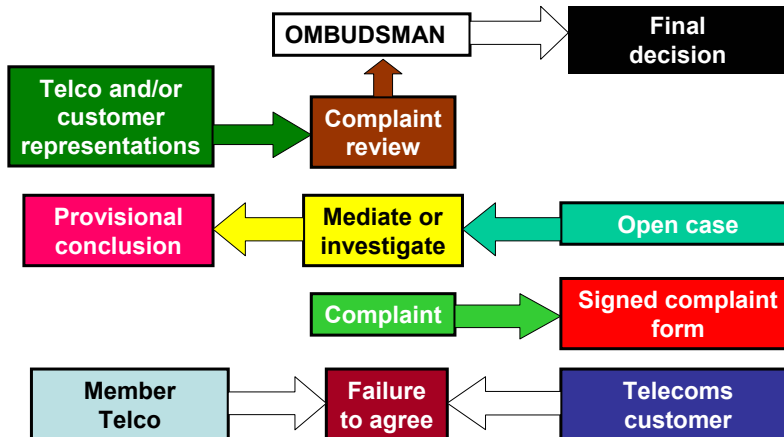
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The Ombudsman

- is Chief Executive of TOSL
- is appointed by the Council for a fixed term
- is independent when acting as Ombudsman
- has been admitted to membership of the British and Irish Ombudsman Association

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The role of the Ombudsman



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Council

Chairman:	Colette Bowe
Independent members:	Margaret Doyle Peter Holland (Deputy Chairman) Roger Jefferies Jeremy Mitchell
Industry Members:	Chris Holland Rosaleen Hubbard (Chairman: Member Board)

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Founder Member companies

- British Telecommunications plc *
- Centrica Telecommunications Ltd *
- Ntl Group Ltd *
- Virgin mobile Telecoms Ltd
- Vodafone Ltd *
- Broadsystem Ventures Ltd*
- Powergen United Kingdom plc

There are now 25 members

* Elected to the Member Board



What does the service cover?

- Fixed line telephony, mobile voice telephony, fax and internet
- Associated services including SMS, voice mail, call forwarding
- Related services for the disabled



Who can complain?

- A domestic, non-business or small business customer, who has a contract with the member company;
- A prospective such customer;
- A representative of such customer or prospective customer, duly authorised to make the complaint on their behalf, and:
- A user of a service or product (not being the customer or prospective customer) but duly authorised in writing to make the complaint.



Remedies

The Ombudsman may require a member to:

- provide a service or product to or for the benefit of the complainant;
- provide an apology or explanation;
- pay a compensation award not exceeding £5,000 (inclusive of VAT (if any));
- take some other practical action of direct benefit to the complainant;
- provide any combination of the above provided the aggregate value of such does not exceed £5,000 (inclusive of VAT (if any)).



Limitations

- The complaint must first have been made to the member company
- There should be a deadlock letter or evidence that no such letter will be issued;
- Complaints must be timely; not the subject of court proceedings;
- Complaints must fall within the scope of the scheme and should not be frivolous or vexatious

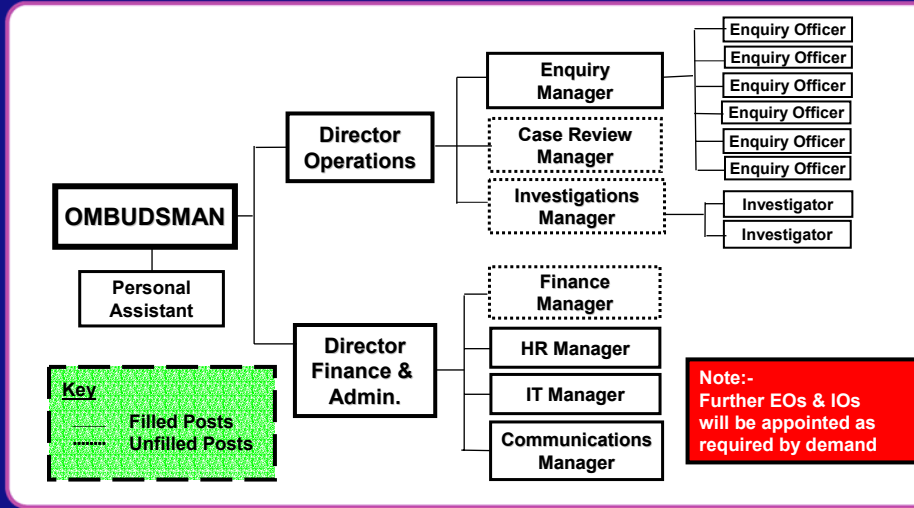
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What are we doing?

- dealing with enquiries and complaints
- establishing procedures
- getting to know member companies
- raising awareness of the service

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Who is in post?



Where?



Where?

Office of the Telecommunications Ombudsman
Wilderspool Park
Greenall's Avenue
Warrington
WA4 6HL

Telephone: 0845 0501614
Text phone: 0845 051 1513
Email enquiries: enquiries@otelo.org.uk
Website: www.otelo.org.uk



What are the costs?

- The Member Board has decided that the Service's costs should be recovered by subscription (20%) and case fees (80%)
- Case fees have been set at £350 per case.
- Subscription is based on a Member's total Retail Revenue (TRRR)
- There is also a small contribution to start up costs and to a reserve.



Benefits for companies

- Having potential access to an Ombudsman will enhance the confidence of customers in complaints handling procedures.
- Treating complaints seriously is not only good practice, but there are marketing and commercial reasons for doing so.
- In a competitive industry, having a reputation for excellent customer service may be a deciding factor for customers when choosing a provider.

Cont....



Benefits for companies

- An Ombudsman will provide a valuable way of resolving burdensome and difficult complaints – in the long run it may often save time and resource to have a dispute dealt with outside the company.
- The investigation of a complaint may throw light on company practice or systems which it is in the interests of the provider to change.

Cont....



Benefits for companies

- Good complaints handling supported by the Ombudsman is likely to improve the reputation of the entire industry.
- Meet the requirements of the Communications Act 2003.



Benefits for customers

- The service is free and easy to use.
- It provides independent investigation of unresolved complaints.
- It can require companies to give redress if a complaint is found to be justified and provides customers with an explanation of each decision reached by the Ombudsman.

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Benefits for customers

- Resolution may involve efforts at conciliation which might restore a customer relationship.
- It reinforces a sense of fair play for customers when dealing with large and technically complex organisations.

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Benefits for the regulator

- Transparent approval process
- Allows for the possibility of more than one scheme
- Allows for the possibility of running a scheme
- Retains flexibility
- Ensures Article 34(1) of the USD is met

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Our aim

To provide a first class service of independent and impartial dispute resolution for public communications providers and their customers.



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