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Your Ref:

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Rosie Cooper MP
House of Commons
London
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Dear Rosie,

1) To ask the Secretary of State for Business, Enterprise and Regulatory Reform, what powers Ofcom has to a) investigate and b) take action in respect of inaccurate claims made by telephone service provider sales staff in relation to the transfer of existing numbers associated with BT Call Sign service. [271032]

I am writing in response to your question (above) to the Secretary of State for Business, Enterprise and Regulatory Reform tabled on 21 April 2009. It has been forwarded to Ofcom for a reply as the independent regulator for the UK communications industry.

Ofcom is committed to preventing problems related to the mis-selling of telephone services, and we have put various safeguards in place to protect consumers from such risks.

In May 2005 we introduced new rules to combat mis-selling, which require all providers of fixed-line telecommunications services to residential consumers and small businesses to establish, and comply with, a sales and marketing code of practice consistent with our guidelines. Compliance with the codes is enforceable by Ofcom under the Communications Act and we can require providers to remedy the consequences of any breach and ultimately levy a financial penalty if they do not do so.

We also monitor complaints received through our own Advisory Team concerning instances of mis-selling and take action against providers who persistently act contrary to the guidelines.

We are currently consulting on proposals to strengthen the existing safeguards in this area in order to ensure better protection for consumers and to enable Ofcom to take more effective action against providers that break the rules. The full consultation can be viewed on our website.

Our proposals include:

- Call recordings – providers would have to keep better records, including voice recordings of all telephone conversations relating to sales;
- Explicit regulations – we propose to simplify the regulations by explicitly banning mis-selling under the General Conditions – a set of rules that all communications providers must adhere to; and
- Clearer consumer advice – providers would be required to give better information to consumers by reminding them that there may be consequences from switching, such as possible termination charges for leaving a contract early.

When a consumer switches from BT and is a user of Call Sign, a BT service allowing the addition of a separate number with a different ringtone on an existing phone line, we would expect BT to set out in a letter to the departing consumer the full implications of the pending transfer away, explaining that there may be a loss of one of the numbers. The provider the consumer is moving to should be able to provide details on any similar service they may provide.

Where a consumer believes that the provider they are switching to has provided incorrect information on the provision of a similar service to BT Call Sign, it is open to the consumer to pursue a complaint using the service provider's complaint handling process, and where a consumer is unable to successfully resolve their dispute with the service provider, through alternative dispute resolution (ADR) also known as an ombudsman.

ADR is an important piece of consumer protection and we require all telecoms service providers to be a member of an ADR scheme. They are free and independent services available to domestic and small business consumers and service providers must abide by their decision. The consumer is not bound by the decision and if dissatisfied with the outcome, is free to consider legal action.

There are two such schemes approved by us and these are the Office of the Telecommunications Ombudsman (Otel) and the Communications & Internet Services Adjudication Scheme (CISAS). We have recently published a helpful consumer guide on how to handle a complaint with a service provider, and I have enclosed a copy for your information. This guide is also available on our website www.ofcom.org.uk.



Ed Richards