

Communications and Internet Services Adjudication Scheme



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Introduction from the Chief Executive



A handwritten signature in black ink, appearing to read 'Karl Mackie', written in a cursive style.

Dr Karl Mackie CBE
Chief Executive – CEDR

It gives me great pleasure to present the CISAS Annual Report for 2013 by the Centre for Effective Dispute Resolution (CEDR), covering the period from 1 January to 31 December 2013. CISAS plays a vital role in resolving disputes between communications providers (telecommunications and internet service providers) and their customers. The service we provide offers consumers an independent and impartial final stage in their complaints against communications providers. Adjudicators appointed by CISAS weigh up all of the evidence provided by the parties and seek to arrive at fair and reasonable decisions which provide real and effective redress for consumers.

2013 was a highly successful year for CISAS, with our team having dealt with the largest volume of cases since the inception of the scheme in 2003. As a result of the increased caseload, we have expanded our Panel of Adjudicators, employing a rigorous system of training and mentoring in order to ensure that our standards of quality and expertise are met. The overall performance of CISAS by reference to our Key Performance Indicators (KPIs) has improved significantly on 2012, and our customer satisfaction survey has delivered the highest ever levels of satisfaction among customers who have used our services, with record numbers prepared to use our services again and recommend us to others.

In the constantly evolving telecommunications industry, CISAS remains alive to the advent of new technologies and products. 2013 saw the nationwide rollout of 4G services across multiple networks, with consumers across the UK now obtaining significantly faster internet connections via their mobile telecommunications devices. CISAS also continues to work closely with Ofcom, the regulator of the telecommunications industry, to ensure that the service we provide offers an impartial and efficient means of resolving disputes.

Some changes were made to the CISAS Rules in 2013. In October 2013, CISAS increased the amount of compensation that consumers are able to claim through the scheme from £5,000 to £10,000. This change was made in order to bring the scheme in line with the small claims courts, which increased their monetary limit by the same amount in April 2013. A number of Rules were amended in November 2013, the most significant of which were the increase in the timeframe that customers have to make an application to CISAS, the widening of the definition of a 'customer' to align it with the definition contained in Ofcom's General Conditions, and the power of an adjudicator to award more compensation than a customer has requested in exceptional circumstances. These changes have had the effect of widening consumer access to the scheme and strengthening the position of CISAS as a robust and effective alternative to the courts.

Head of the Panel of Adjudicators' Report



M. Coombes Davies

Mair Coombes Davies
Head of CISAS Panel of Adjudicators

The year has been characterised by a number of trends. Some of them are new and some are perennial issues.

A spike in complaints was noted in 2013 due to several of the larger subscriber companies implementing price rises. As a result, many customers wished to find ways to cancel their contract to avoid any increased charges. The situation was somewhat reversed with the drive of companies to offer new 4G deals. Some customers appeared to have been assured that by swapping to a new deal they would be no worse off and have the benefits of 4G. Customers found to their cost that the claims made by sales staff were not borne out in practice with many desperate to revert to their previous tariff and package.

In only a handful of cases were companies able to provide evidence of their sales calls by way of a recording or transcript. The lack of notes or recordings of calls made by customers was highlighted as an issue in last year's Annual Report and the situation has certainly not improved. There appears to be a clear divide between the smaller providers and the large providers. Smaller providers appear to maintain more comprehensive records (including recordings) of sales and other calls which allow them to present clear evidence of what was offered to the customer, their understanding and agreement.

The general lack of access to call recordings, records which are not accurate or comprehensive, the use of jargon and failed promises to return calls are a constant cause of customers' frustration as well as the problems of dealing with off-shore customer contact centres. Customers often describe waiting a long time for calls to be answered and then having to repeatedly explain their problems from scratch due to the lack of notes from previous calls. Customers become upset as they do not feel valued or because they are being unhelpfully passed from one department to another.

However, it must be recognised that customers may have an increasingly unrealistic view of what they are entitled to and how they should be treated. Perhaps as the use, dependency and reliability of mobile phones have grown

it is assumed that a signal will be provided everywhere at all times and they expect the companies to provide 100% coverage. This is something companies make clear they do not and cannot provide; it is after all in the nature of using a mobile phone. It does not prevent customers seeking to terminate their contracts because they cannot receive a signal in their own homes but can everywhere else. Some customers also believe that if their phone is lost or stolen they should not suffer the costs of calls until they report the theft sometimes several days or weeks later. Again expecting the companies to know what is happening to everyone's phones at all times may be unrealistic. In many cases the companies do act when fraudulent use becomes apparent, though the companies are under pressure to improve monitoring and to cap excessive costs.

During the year new CISAS Rules were introduced. A significant change is that adjudicators are now in exceptional circumstances able to award financial compensation even if not claimed by the customer. This is a sensible and welcome step as customers will sometimes prove their claim but ask for an action that is not practical or reasonable and therefore would not be compensated when they clearly have lost out or suffered considerable and unwarranted inconvenience by the failure of the company. Equally, many customers believe they are entitled to claim for their time in contacting the company and dealing with their complaint. While every customer believes their time is valuable they do not always appreciate that they have a residential contract which may make it unreasonable for them to apply hourly commercial rates to their time. It is common sense that customers deal with a problem in their personal time; otherwise, for dealing with the same problem an accountant would charge different rates to a secretary, and valuing the time of a retired person or student creates its own issues.

Perhaps as a final point, the CISAS Panel of Adjudicators only see the problems when providers' systems and procedures break down or when customer care staff lack the attitude and training to deal with customers in a reasonable and proactive way. The reality is that the actual number of complaints compared to the number of customers and the use of the networks is small. In other words, for the majority of the time the providers are supplying a satisfactory level of service to their customers.

Statistical Review

Statistics are a valuable means by which users, commentators, Ofcom and CISAS can have an overview of how our service has performed. At CISAS we keep three main types of statistics:

- 1. Key Performance Indicators (KPIs)** – KPIs were agreed with Ofcom in 2006. We provide monthly KPI figures to Ofcom. KPI data is published on the CISAS website quarterly. The annual KPIs can be found on pages 7 and 8 of this report. They give a broad overview of our service delivery in relation to factors which Ofcom regard as important performance measures.
- 2. Service related** – Service related statistics, which can be found on pages 9-12, are of great interest to all CISAS stakeholders. For example, we report on the volumes of the cases we have dealt with, the main reasons customers have for applying to use the scheme, the amounts of compensation claimed by customers, and how much is awarded by our adjudicators.
- 3. Customer satisfaction** – We undertook a customer satisfaction survey in 2012, the results of which are shown on pages 13-21. This data gives us a vital insight into what Enquirers (those who contact us for information but then do not actually make an application to use the service) and Users (those who use the service) think of CISAS and the services we provide. The information gained from this data allows us to review our performance and to continually improve our service.

PLEASE NOTE: *All percentages reported in the following tables have been rounded to the nearest whole number. The rounding process may result in totals not equalling 100%.*

Key Performance Indicators

The following KPIs were agreed with Ofcom in December 2006 and CISAS reports its performance against KPIs on a monthly and quarterly basis to Ofcom. Our performance during 2013 is detailed below.

KPI One: Percentage of cases concluded within 6 weeks of application from the customer **CISAS Target: 88%**

2013 Achievement: In 2013, 94% of cases were completed (“completed” means issuing a final decision from an adjudicator) within six weeks of the application being made by the consumer. We therefore surpassed our target by 6% in 2013, which is an increase on the 87% of cases which were completed within six weeks in 2012.

KPI Two: Percentage of cases concluded more than 8 weeks after receipt of the application from the customer

CISAS Target: 10%, allowing for exceptional circumstances only.

2013 Achievement: In 2013, just 1% of cases were completed more than 8 weeks after the application was made by the consumer, surpassing our target by 9%. This was another improvement over 2012, where 2% of cases took more than 8 weeks to complete.

KPI Three: Percentage of calls answered by CISAS staff within 2 minutes

CISAS Target: 95% (allowing for occasions where staff are not available due to internal training and for peak periods)

2013 Achievement: Virtually all calls (100%) were answered within 2 minutes by CISAS staff throughout 2013. This target was therefore surpassed by 5%.

The 2-minute period includes an allowance for the caller to listen to a pre-recorded information message about CISAS which lasts 1 minute 41 seconds and gives options to the caller on whether to record a message, request information or speak to a CISAS staff member. After the message or on selection by the customer, the average time for the staff to answer any call is 10 seconds.

KPI Four: Percentage of written correspondence receiving a response within 5 working days **CISAS Target: 90%**

2013 Achievement: CISAS turned around 92% of written correspondence within 5 working days. While this represented a slight drop from the 96% of correspondence responded to within 5 working days in 2012, we nevertheless exceeded our target in 2013 by 2%.

It should be noted that we endeavour to provide a full response to written correspondence within 5 working days, rather than to simply provide an acknowledgement of receipt.

KPI Five: Unit cost as an indication of improved efficiency: 100% of total costs divided by the number of valid applications

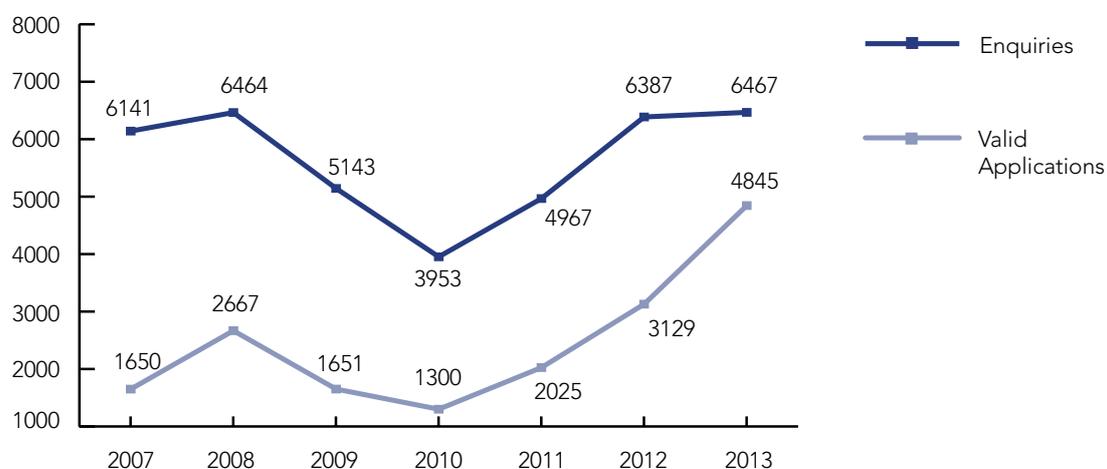
2013 Achievement: The overall unit cost for 2013 was £161.57.

The figure for 2012 was £269.62, while the figure for 2011 was £294.38. This shows that the decrease in the overall unit cost as noted in previous reporting periods has continued. The sharp drop in overall unit cost in 2013 corresponds to the significant increase in the amount of valid applications received by CISAS throughout the year.

Service Statistics

CISAS enquiries and valid applications 2007-2013

The graph below shows the number of enquiries and valid applications we have received since 2007 (CISAS began providing services in late 2003). An enquiry is any form of contact (ie. telephone, e-mail, fax, text phone, post) to CISAS. A valid application for the purposes set out below is an application that CISAS has received which, on the face of the papers provided, falls within our scope.



During 2013, we handled 6467 enquiries, an increase of 1% when compared to 2012. Furthermore, the number of valid applications in 2013 went up to 4845, which was a 55% increase on 2012. These are the highest numbers of both enquiries and valid applications since CISAS began providing services in 2003.

NB. In 2013, 171 applications which were considered to be valid at the initial determination were subsequently withdrawn from the scheme following objections made by communications providers to their validity.

It is clear from the graph above that the trend of an increasing volume of both enquiries and valid applications that was noted in 2011 and 2012 has continued into 2013. The conversion rate of enquiries to initially valid applications rose by 26% in 2013, resulting in a total of 75% of enquiries leading on to valid applications. This is the highest conversion rate of enquiries to valid applications since CISAS began providing services. These continuing increases can be traced to the following factors:

- The ongoing regulatory requirement on communications providers to signpost to CISAS those customers who have been in dispute for at least eight weeks.
- CISAS now considers cases in which any customer service issues are raised, even where the main issue raised by the customer is outside the scope of the scheme (eg. an equipment fault). Previously, our approach had been to consider such cases to fall outside the scope of the scheme.

- A new version of the CISAS Rules was published in November 2013, which (a) widened the scope of who constitutes a 'customer', (b) extended the timeframe that a customer has to make an application to the scheme from nine months to twelve months, and (c) formalised the inclusion of 'the quality of customer service received' as an issue that CISAS will consider.

Each year there is always a considerable difference in the number of enquiries CISAS receives and the number of applications we consider to be valid. In 2013, CISAS received 6467 enquiries, although we processed 4845 valid applications. One of the main reasons for this is that consumers contact CISAS too early and do not give their communications provider an opportunity to deal with their complaint in line with their published complaint procedure. These complaint procedures can be found within each provider's code of practice, all of which are approved by Ofcom and set out how providers are to deal with customer complaints.

Other statistics are shown below. They are taken from the 4845 CISAS applications which were deemed to be valid when first received by us:

- Of the 4845 valid applications made during 2013, 80% led either to a decision made in the consumer's favour or a settlement being agreed between the consumer and the company before the adjudicator was appointed.
- Of the 1993 cases which proceeded to a decision from an adjudicator in 2013, 61% were either fully or partly in favour of the consumer.
- Of the 1993 cases that proceeded to a decision from an adjudicator in 2013, the consumer provided us with written acceptance of the decision 52% of the time.
- On average, consumers took 24 days to confirm whether or not they accepted the decision in 2013, which was a slight decrease on the average of 27 days taken in 2012.
- Of the 4845 valid applications made in 2013, 2637 (54%) were made online. Therefore, for the first time since CISAS began providing services, more than half of the applications we accepted were made online. This continues to reflect the growing importance for consumers of being able to register applications online.
- No applications were made in Welsh, in Braille or by text phone in 2013.
- In 2013, the most common causes for complaint against a supplier, where specified by the consumer, were billing and charging (38%), a telecommunication service (19%), and a dispute over contract terms (16%).
- The following breakdown shows the combination of remedies that customers requested in 2013, compared with both 2011 and 2012. The total percentage equals more than 100% because it is possible for consumers to seek more than one outcome. *(NB. figures are taken from the 1993 cases which proceeded to a decision from an adjudicator).*

Remedy	2013	2012	2011
Compensation plus an apology	52%	53%	58%
Compensation plus an explanation	44%	40%	41%
Compensation plus other action	22%	19%	27%
Compensation only	8%	6%	8%

- The data above shows that it is still very common for consumers to claim a further remedy in addition to compensation, with an apology being the most frequently claimed additional remedy in 2013. It continues to be comparatively rare for consumers to claim compensation alone.

- On 233 occasions in 2013, the consumer did not request compensation at all. This figure was 115 in 2012.
- A total of £1,575,578 in compensation was claimed by customers who came to CISAS during 2013. This is a sharp increase from the total of £208,174 claimed in 2011, and £416,772 claimed in 2012, corresponding to the increase in valid applications that CISAS handled.

Average amount of compensation claimed per case 2007-2013

The diagram below shows the average amount of compensation that has been claimed each year since 2007.



- In 2013, the average amount claimed in each case was £940, which was an increase of £84 on the average sum of £856 claimed in 2012. The chart above shows the average compensation claim per case for each year from 2007 to 2013. As can be seen, there has been a considerable increase in the average amount claimed year-on-year since 2009.
- The total amount awarded as compensation by adjudicators in 2013 was £164,165, making an average award of £82 per case. The average award in 2012 was £99 per case. This figure has varied widely in previous years, and the difference between the 2012 and 2013 figures represents a comparatively small decrease.
- In 2013, the consumer and the company settled the claim by mutual agreement in 908 cases (19%), prior to the appointment of the adjudicator. This was a decrease on the 37% of cases settled by the parties in 2012.
- A deadlock reference number is a number which is allocated by the company to cases where they are happy for the matter to be referred directly to CISAS. Only 4% of applications made in 2013 included a deadlock reference number from the company, which was a slight decrease from the 7% of valid applications that included a deadlock reference number in 2012.

Report on customer service satisfaction survey

In order to monitor customer experiences and satisfaction levels, CISAS undertakes a regular customer satisfaction survey. In total, we received 1212 responses from those who made an application to use CISAS (ie. 'Users') and 73 responses from those who only made an enquiry to us but did not proceed to use our services (ie. 'Enquirers').

The objectives of obtaining customer satisfaction data are:

- To gauge levels of satisfaction for experiences of CISAS by users and enquirers;
- To identify potential improvements that could be made to our services; and
- To monitor long-term progress in customer satisfaction levels.

Overview of findings

The customer satisfaction survey for 2013 has shown that:

- The satisfaction rates for the overall level of service provided by CISAS are the highest since the scheme began operating;
- Increasingly, customers are using electronic means to first become aware of CISAS and to initially make contact with CISAS;
- The vast majority of customers find it very easy to get in touch with CISAS;
- The majority of those who had a case with CISAS were offered a settlement by the communications provider they were in dispute with;
- Most customers view the involvement of CISAS in their dispute as having encouraged the parties to reach a settlement;
- Over 80% of customers expressed a willingness both to use CISAS again in future and to recommend our services to others.

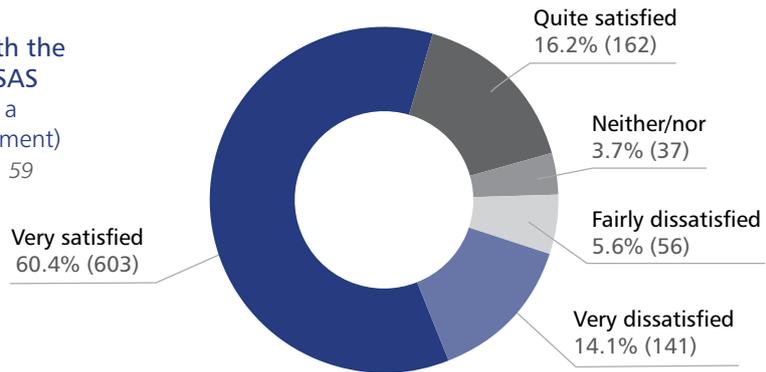
Overall satisfaction with CISAS

(i) Users' overall satisfaction with the CISAS service

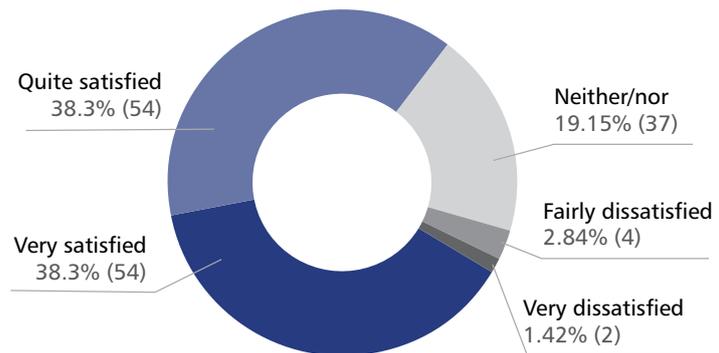
Users of the service were asked how they would describe their overall satisfaction with the service they received from CISAS during 2013.

For the first time, customer satisfaction surveys were sent to Users at two distinct stages: (1) before a decision had been made by an adjudicator; and (2) after either an adjudicator had made a decision or after a settlement had been reached. This was to address concerns identified in previous annual reports to the effect that individual Users' satisfaction scores could be impacted or influenced by the outcome of the adjudicators' decisions in their cases.

Q19: Overall satisfaction with the service provided by CISAS
 (for Users who have had a decision/reached a settlement)
 Answered: 999 Skipped: 59



Q12: Overall satisfaction with the service provided by CISAS
 (for Users who have not yet had a decision)
 Answered: 141 Skipped: 13



76% of all Users of CISAS were either 'very satisfied' or 'quite satisfied' with the overall level of service they received from us. These satisfaction rates are the highest that CISAS has reported since the inception of the scheme, indicating that a growing majority of those who use our scheme have a high regard for the quality of service we provide.

In terms of dissatisfaction with the level of service provided, 20% of Users who had received a decision from an adjudicator or who had settled their case reported that they were either 'fairly dissatisfied' or 'very dissatisfied' with the service provided by CISAS. On the other hand, just 4% of Users who had been through the case process but had not yet received a decision from an adjudicator were dissatisfied with the service provided (with the remainder neither satisfied nor dissatisfied). This data indicates that dissatisfaction rates are linked to the outcome of adjudicators' decisions, and that those who have been through the CISAS journey without receiving a decision are far less likely to be dissatisfied with the service than those who have received a decision that is not in their favour.

Below are a few examples of positive feedback we have received from users of the service during 2013:

"I am very impressed by the speed and efficiency of the service, the adjudicator's decision coming a week after I submitted my response to the company's defence."

"I was really impressed with the service I received from CISAS overall. I was especially impressed that they had the power to change my situation in my favour (when the company was not prepared to do any more than a "gesture of goodwill") Thank you so much for this. I really appreciate it."

"Thank you for your help and support, been fighting this for months with no joy, even had the threat of bailiffs then I contacted you and sorted in no time."

"Very impressed indeed with timescale of making complaint through to resolution; impressed with influence over outcome of case and results gained. Very satisfied and would not hesitate to recommend to others and use the service again, if needed. Thank you!"

"Excellent in every regard."

(ii) Enquirers' overall satisfaction with the CISAS service

62% of Enquirers report that they were either 'very satisfied' or 'quite satisfied' with the overall service provided by CISAS, indicating that a solid majority of those who make an enquiry to us without initiating a case are happy with the service.

Enquirers to CISAS generally have a lower level of satisfaction than Users, which has been a trend recognised in previous reporting periods. This indicates that those who have been through the CISAS process have a higher impression of the service provided, than those who contact us once solely to enquire about our service.

The customer journey

(iii) Initial source of awareness

50% of Users and 30% of Enquirers first became aware of CISAS via the internet, representing the most common way in which awareness of CISAS is spread. Comparatively few users were first signposted to CISAS by the communications provider that they had a complaint with or by an advisory body (eg. Citizens Advice, Trading Standards, Consumer Focus). The growing trend towards using the internet to first discover CISAS has been noted in previous reporting periods, and several Users specifically mentioned in their responses to the customer satisfaction survey that they had first become aware of CISAS via online consumer forums, blogs and websites.

73% of Users had not received any advice elsewhere prior to making contact with CISAS. This has also been a common trend reflected in previous reporting periods.

(iv) Getting in touch with CISAS

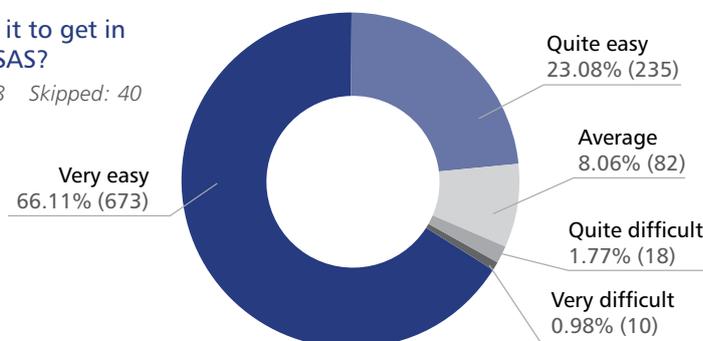
Over half of Users and Enquirers first approached CISAS once they had completed their communications company's internal complaints procedure and received an unsatisfactory response. This is a trend that has continued from previous reporting periods.

75% of initial contact was made to register a complaint against a communications company. Comparatively small amounts of customers made their first contact with CISAS in order to seek advice.

The majority of Users made their first contact with CISAS via e-mail, with telephone being the second most popular form of communication. However, telephone was the most popular means of communication for Enquirers. Contact by other means, such as post or fax, was used by 11% of Users and 17% of Enquirers.

Q7: How easy was it to get in touch with CISAS?

Answered: 1,018 Skipped: 40



From the diagram above, it is clear that a total of 89% of Users reported that it was either 'very easy' or 'quite easy' to get in touch with CISAS. These figures are very similar for Enquirers.

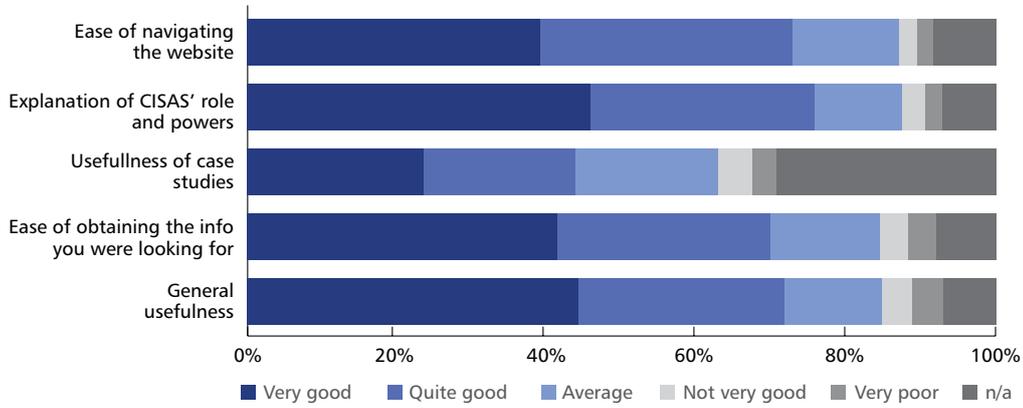
"I found them very helpful and patient for someone of my age and I didn't feel uncomfortable in asking questions I wasn't sure of."

(v) Feedback on the CISAS website

The CISAS website has a vital role to play in spreading awareness of the services CISAS offers.

The diagram below shows the feedback that has been received on the CISAS website in 2013:

Q4: If you looked at the CISAS website, how would you rate the following criteria?



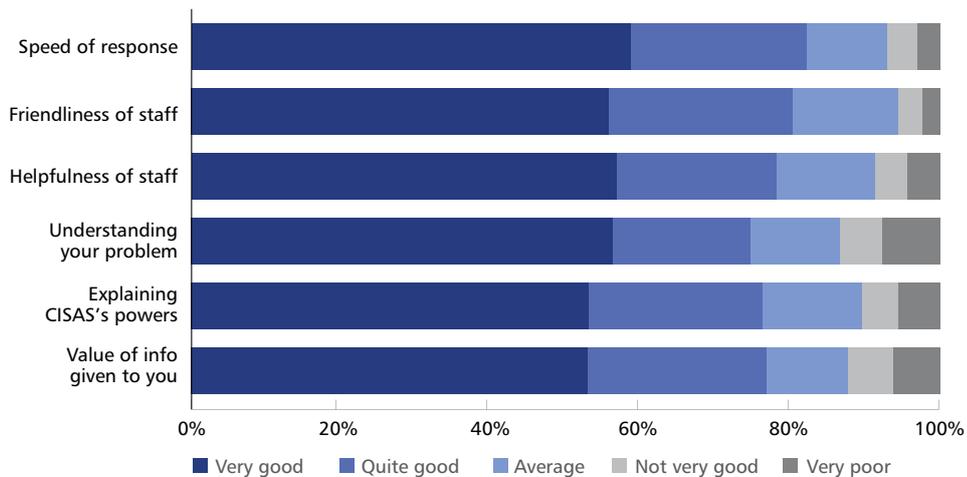
The majority of customers have positive feedback on the ease of finding their way around the website, the explanation of the role of CISAS and its powers, the ability to provide the information they were looking for, and the general usefulness of the website overall. This indicates that the majority of customers who access the CISAS website find all of the information they need, which is a trend that has continued from previous reporting periods.

Perceptions of CISAS service delivery

(i) Impressions of service delivery

Users were asked to rate various aspects of their contact with CISAS, the results of which are shown below.

Q17: How would you rate the following aspects of your contact with CISAS?



This data shows that Users were generally happy with all of the service elements, with dissatisfied Users forming a minority in each of the areas covered by the survey. This is a continuing trend that has been reported in previous years.

"CISAS have been informative and helpful with my cause. Everything is explained on a good level."

"I thought it was all very clear and understandable and appreciated the online submission option. The response times and clarity of communications was very good."

"Very pleased with the speed this difficult problem in communicating with this company was resolved."

As noted in previous reporting periods, Enquirers were not as pleased overall with the service elements identified above when compared to Users. However, a minority of Enquirers were dissatisfied with the service provided. Again, this indicates that those who have more extensive contact with CISAS have a generally more favourable impression of the quality of service that we provide.

(ii) Effectiveness of CISAS in encouraging settlements

Users were also asked for their views on the effectiveness of CISAS in pursuing their complaints. There was a notable increase during 2013 in the amount of Users who reported that, after their case had been taken on by CISAS, the communications provider they were in dispute with offered to settle their complaint, with 58% of Users reporting this. Of those who were offered a settlement, 92% accepted the offer.

In addition, a majority of Users took the view that the involvement of CISAS was helpful and led to the swift settlement of the dispute. This trend has also been reported in previous years.

Much of the positive feedback that Users provided focused on the effect that CISAS had in encouraging communications providers to settle disputes:

"I had contacted [the communications provider] several times over a period of 4 months without reply. When CISAS got involved, I was contacted by [the communications provider] within 1 week. Thank you."

"I was extremely happy with the service provided. After months of no response it was a relief to hear from them, never mind the positive outcome they gave after contacting CISAS."

"I think it seemed to be the "threat" of possible action rather than any action on behalf of CISAS, that meant my case was solved. Even if CISAS isn't tested in every case, it still proves a useful tool in the fight for justice."

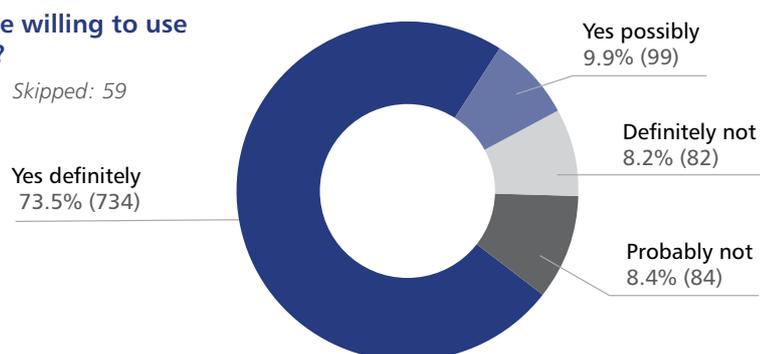
"[The communications provider] ignored my letters until I contacted CISAS."

(iii) Willingness to use CISAS again

Users of the service were asked if they would be willing to use CISAS again. The responses we received are shown below.

Q21: Would you be willing to use CISAS again?

Answered: 999 Skipped: 59



The diagram above shows that a total of 83% of Users would be willing to use CISAS again. This is an increase on the 70% of Users in 2012 who reported a willingness to use CISAS again. This indicates that even those Users who did not receive a decision that went in their favour would be prepared to use our services again in future.

"I am very happy with the service that CISAS provided and I would feel very confident to use its services again."

"CISAS input strongly helped my case in my favour, with a desired outcome, and I would use the service again."

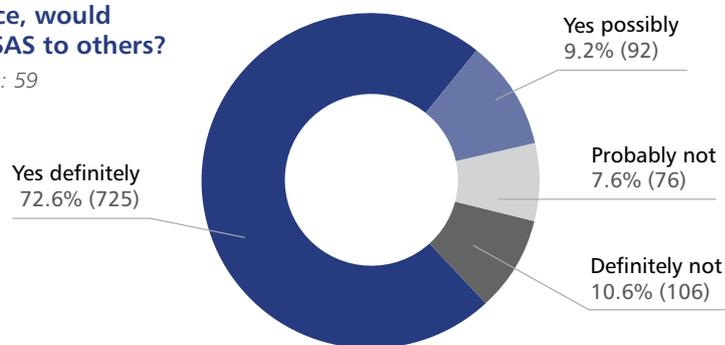
"CISAS helped me with my problem, which I would not have been able to do on my own. I will use them again and tell everyone about how good they are."

(iv) Likelihood of recommending CISAS to others

Users were asked if they would recommend CISAS to others, the responses to which are below:

Q20: From your experience, would you recommend CISAS to others?

Answered: 999 Skipped: 59



This shows that 82% of Users would recommend CISAS to others. This is again an increase on the amount of Users who reported a willingness to recommend CISAS to others in 2012. These figures also indicate that even Users who did not receive a decision in their favour would still be prepared to recommend our services to others.

"I would highly recommend anyone with a problem with any telecommunications to contact CISAS for advice on how to go about handling their complaint."

"I will be recommending them and using them for future reference."

"First class service. The company would not have settled my claim in full without the intervention of CISAS. I would recommend CISAS to friends and family."

"Great company, fantastic services would recommend! Thank you."

Case Studies

The Case Studies are summaries of cases provided to give some guidance as to how CISAS works and what kind of remedies are available. They do not provide details of the full case and are to be used as a guide only. The adjudicator considers all of the relevant circumstances in each case before coming to a reasoned decision.

“ It was a great relief to hand the problem over to experts who could work to resolve this fairly. I was happy to accept whatever decision was made as I felt that the CISAS service was impartial and fair. ”

CASE 01

Compensation in exceptional circumstances although none claimed

The customer tried to send an email to the company advising that he was transferring his broadband and phone service to another provider, but the company's systems would not recognise his email address. He also had problems phoning the company as its menus required him to submit a 9-digit account number, whereas he had an 8-digit account number. The customer gave up trying to contact the company, relied on his new provider to make the transfer and received a text message from the company acknowledging that he was moving. The customer complained that he had then been pestered by the company to pay arrears but how they had accrued was not explained to him. The company insisted its TV box be returned, although the customer had not had a TV contract and every time he spoke to the company's representatives he had to constantly repeat what had happened. The company's position was that all its customers were required to give 30 days' notice to cancel their services, a third party (such as a new provider) could not request disconnection of the company's customer account.

The Adjudicator found that the terms and conditions of the service agreement meant that the customer had to give the company 30 days' notice to cancel the services, although the new provider had advised the customer that it would cancel all his services. However, the company was required to give a reasonable level of customer service in assisting its customers, which it did not do throughout the dispute. The customer had not claimed compensation. However, the circumstances were exceptional and the customer was awarded £100.00 in compensation for the company's poor level of customer service.

SIM cards mix up

The customer, a pensioner, complained to the company many times about unusual amounts added to her bill for unwanted emails and maps received on a new tablet. The company replaced the tablet but the customer could not make the SIM card slot on the new tablet work properly. The company thought that the customer may have mixed up the tablet's SIM card (for mobile broadband without inclusive texts and calls) with other mobile phone SIM cards she had and had used the wrong SIM card in the wrong device. As the customer refused to pay the £1,000.00 plus outstanding bills, the company passed them to debt collectors explaining that the itemised bills for text messages, photo messages and phone calls were accurate and had been produced from information via the customer's tablet SIM card.

The Adjudicator found that not only were issues about faulty equipment outside the scope of CISAS but also the customer had provided insufficient evidence that the new tablet was faulty. It was the responsibility of the customer as to how she used her SIM cards. The bills were a correct reflection of the services the customer used and she was responsible for paying them. She chose not to pay them and consequently the company could take action to recover the amount due. However, during the course of the CISAS adjudication, the customer received a letter from the company's debt collectors threatening legal proceedings if the disputed amount was not paid within 7 days. The Adjudicator found that the company had a duty of care to the customer to act reasonably and it was responsible for the actions of its agents, the debt collectors. Those actions amounted to a breach of the company's duty of care for which it was directed to apologise and pay compensation of £100.00 to the customer.

Waiving charges

The customer had been with the company for about 15 years but she could no longer afford the company's pay monthly services for her two lines. She had asked about its Pay As You Go (PAYG) service but having been told there would be a charge for transferring to PAYG she gave notice of cancellation. The customer complained that the company tried to make her keep the lines and continued to send her bills. The company explained that about two months before the customer had made her CISAS application it had (at the customer's request) terminated her pay monthly account and issued a final monthly bill which the customer had partly paid. The company then waived the outstanding balance so there was nothing more for the customer to pay.

The Adjudicator found that as no money was due before the customer had made her application to CISAS, the issue had been settled and by waiving any charges the company had acted reasonably.

“ Very good service listened to both sides of the story before deciding anything, great people! ”

Evidence for customer agreeing to new contract

The customer complained that despite having a 24-month 3G contract it was terminated by the company and a new 4G contract with a different brand of the company commenced without his agreement. The company maintained that on a balance of probabilities it was highly unlikely that the customer would have been transferred to a different brand without his knowledge.

The Adjudicator found that as a general principle, if a company wishes to change a contract with a customer it should seek the agreement of the customer beforehand, fully explaining the implications and the difference between the original contract and the proposed new contract's terms and conditions. To verify such an agreement the company would be expected to retain specific and detailed notes, a voice recording or transcript of the conversation and sale of the new service to the customer. In the event that the agreement is challenged and where there is no recording or transcript and the notes are brief or non-specific then a witness statement of the company's representative who made the sale should be provided to confirm that all relevant requirements and good practice have been followed. In this case the company provided insufficient evidence to clearly establish that it fulfilled its duty of care to the customer in changing the contract. Consequently, the customer was still subject to the terms of his original contract. The company was directed to return the customer to his old contract and recalculate all charges as if no transfer had taken place. It was a matter for the company if it wished to re-start the process of seeking the customer's consent to begin a new contract following all relevant good practice.

Package not clearly explained

The customer complained that he had been mis-sold an upgraded mobile phone package when over three months he was billed £3,000.00. He had been led to believe that charges would be capped at £15.00 per month. In its defence the company said nothing about the mis-selling allegation.

The Adjudicator found that when the company had sold the upgrade package to the customer it had repeatedly said, '...all in £15.00 per month', and had noted this in its customer account notes. However it had not clearly explained in plain English what the upgrade package included and did not include. The customer did not understand which services were 'outside of plan' and would be billed separately. The company had given the customer the wrong impression that his contract would be a capped service. The Adjudicator directed the company to refund the customer £2,590.74 and apply a £1,142.30 credit note to the account together with waiving penalty, cancellation and debt recovery charges. The company was to restore service to the customer's mobile phone though the contract would not be capped or, if the customer preferred, the company was to allow the customer to terminate the contract without penalty.

Employees' discount

The customer opened a contract with the company believing he was entitled to a monthly recurring discount of 50% as he was employed by a retailer and he thought a number of his colleagues had received such a discount. The company rejected the customer's claim. It explained that it had a discount scheme where some retailers' employees could receive a monthly discount, but the customer's employer did not fall within the scheme.

The Adjudicator found that the claim did not succeed. Both parties had provided a list of the participating employers for the company's discount scheme. The customer had also provided a copy of his pay slip from his employer. The name of the employer on the pay slip did not correspond to any of the discount scheme's participating employers. The customer had not provided any evidence that any of his colleagues had obtained the same discount.

Stolen SIM card and inaccurate records

The customer complained that she reported her SIM card had been stolen and requested a new one. However, when she chased the whereabouts of the new SIM card a week later it was only then that the company blocked the SIM card to prevent further fraudulent activity. The company charged the customer £4,000.00 for the week after the theft; it said the theft was not reported and the company had blocked the account of its own accord due to unusual activity on the account.

The Adjudicator found that the company had not kept accurate account records so more weight was attached to the customer's account of events. The customer had reported the theft but the company had not blocked the SIM card for a week and in error continued to charge the customer. The company was directed to refund the customer £3,579.67 for charges incurred after the theft had been reported. Also the company was directed to pay £500.00 compensation as the customer was deprived of a significant sum of money over a lengthy period of time.

Fraud: suspending a contract

The customer complained that the company had suspended the customer's services due to an alleged fraud which was unfounded and the company provided poor customer service. The company asserted that it was entitled to suspend the customer's services as she had failed to provide correct information on her account.

The Adjudicator found that the company had suspended the customer's services for no valid reason and then did not restore the services in a timely manner. The company was directed to apologise to the customer and pay her £75.00 compensation for the inconvenience suffered.

Fraud: terminating a contract

The customer complained that the company had inappropriately allowed her daughter to access the customer's account; it terminated the customer's services and applied early termination fees in excess of £1,000.00 due to an unfounded allegation of fraud. The company asserted that the daughter had provided the account password which was sufficient to allow account access. Also a credit card had been used fraudulently to make a payment on the customer's account and this entitled the company to terminate the contract immediately and apply termination fees.

The Adjudicator found that the company had acted reasonably in allowing account access upon receipt of a password. The company had not provided any evidence that the customer had failed to adhere to the terms of the contract and there was no evidence that a credit card was used fraudulently either by a third party or by the customer. The company had terminated the contract and applied charges without contractual authority. The company was directed to waive the bill and pay the customer compensation of £200.00 for the inconvenience she had suffered.

Roaming charges

The customer complained about £1,900.00 roaming charges during a holiday in Turkey. When he arrived in Turkey he received a text message from the company asking him if he wanted a product allowing him to use data abroad. The customer accepted the product, but later considered the product to have been mis-sold because he was not advised that there was no cap on the amount of data that could be used. The company provided a copy of the text message which included the words, *'Remember once you have used your daily 30MB allowance you will be charged £8.00 per MB. You can keep a track of your data by downloading our roaming app'*.

The Adjudicator found that the company had not mis-sold the product and the customer was responsible for the roaming charges. The customer should have made himself aware of the roaming charges applicable in Turkey before he went on holiday. If he had then he could have avoided the roaming charges altogether by switching off roaming services on his handset.

“ I am extremely happy with CISAS. I believe that the scheme is a very useful means to settling disputes. Furthermore, the Adjudicator's decision was very well structured and very thorough! ”

Report from the Independent Reviewer



Margaret Doyle
Independent Complaints Reviewer
January 2014

This is my second report as Independent Complaint Reviewer for CISAS, the consumer adjudication scheme for claims against telecommunications providers which is run by the Centre for Effective Dispute Resolution (CEDR).

How I work

During this year, my Terms of Reference have changed, in discussion with CISAS and in agreement with me. Instead of investigating complaints automatically escalated to me as an independent Stage 3, I have oversight of the service complaints process overall. My role is to audit the service complaints process and review complaints and responses to those complaints; to feed back to CISAS my observations and suggestions resulting from my auditing; and to produce an annual report on how service complaints have been handled internally. My annual report goes to the CISAS Board and is published on the CISAS website.

In addition, particularly protracted complaints can be escalated to me for investigation. No such complaints about CISAS were referred to me this year.

Changes to my role

As a result of the change in my Terms of Reference and my role, response letters no longer signpost complainants to me as the next stage in the complaints procedure. This is a departure from my usual stance, which is to insist that complaint response letters signpost complainants to the next stage of the procedure so that they can request escalation if they remain dissatisfied. What I found is that this was becoming a somewhat mechanical request; complainants were not identifying new issues, and my consideration was unlikely to result in a different outcome. This led to delayed closure for both CISAS and the complainant.

My concern is that a protracted and multi-stage complaints procedure can be frustrating for complainants, and it does not help them to persist through many stages of consideration if ultimately they obtain the same outcome. It is a drain not just on the organisation's resources but on those of the complainant, and it does no one any good to encourage fruitless escalation. Disagreeing with the response given by CISAS in itself is not a reason for me to carry out an investigation. Instead, it is important that complaints are resolved at an early a stage as possible and that the responses given to complainants by CISAS are clear, timely, fair, and thorough, and that no complaint slips through the net, leaving valid grievances unaddressed.

This changed role can only work if, as Reviewer, I have access to complaint files and full openness and cooperation from the organisation I review. It is also crucial that the complaints procedure is publicly available, my role as Complaints Reviewer is explained in that procedure, and my annual reports are also publicly available.

The current complaints procedure

The IDRS complaints procedure (which covers complaints about CISAS) is published on the CISAS website (available at <http://www.cisas.org.uk>). It explains what types of complaints can be considered and the two internal stages at which complaints can be considered. It also explains my role as Independent Reviewer. I believe it would help manage expectations if my Terms of Reference were also included on the website, and I have made this recommendation to CISAS.

The procedure for complaints about CISAS involves a first stage response from the Compliance Officer. The timescale for this response changed during 2013 and is now 30 working days. This can seem a frustratingly long time for complainants, but from what I have seen it leads to well thought-out responses and few, if any, delayed responses. My view is that complainants would prefer to have a considered response even if it takes longer, rather than a faster but less thorough response that does not address all their concerns.

If the complainant remains dissatisfied after receiving the Stage 1 response, he or she can request escalation to the senior director at Stage 2. Most complaints are resolved at Stage 1 or 2. For protracted complaints or where the complainant requests further consideration, complaints can be considered by the Chief Operating Officer of IDRS and/or by me as Independent complaints Reviewer. This year no CISAS complaints were referred to me for consideration.

The complaints procedure is for complaints about the service provided by CISAS, not for challenges to adjudicator decisions. Unsurprisingly, complainants do express dissatisfaction with adjudicator's decisions, and the fact that these fall outside the remit of the service complaints procedure is a source of frustration for complainants. However, it is clear that CISAS considers where a complainant raises a concern about a factual error or other flaw in a decision, and has in place a mechanism for review of the decision by the senior adjudicator.

Case statistics and outcomes

CISAS receives relatively few complaints about its service. In 2013 it received 54 complaints – see the table below. Of these, 36 complaints were in scope – in other words, 36 were about some aspect of the service received. Four cases were live at the time of this report being written. The other 14 were out of scope because they related solely to the decision made by the adjudicator, which is not within the remit of the service complaints procedure. As I have said, no complaints were referred to me for investigation.

Closed complaints within scope

Number of complaints received	54
Number outside of scope	14
Number live at time of report	4
Number considered at Stage 1	36
Number upheld (in full or in part) at Stage 1	21
Number considered at Stage 2	12
Number upheld (in full or in part) at Stage 2	10
Number considered at Stage 3	4
Number upheld (in full or in part) at Stage 3	2
Number escalated to Independent Complaints Reviewer	0

There are too few complaints for me to identify any patterns or trends. Out of a total of 4845 cases handled by CISAS in 2013, the 36 occasions on which people complained represent a mere 0.7%.

Issues in upheld complaints included delays, poor communication, failure to keep complainants informed, and difficulties with compliance with awards. Apologies are offered where appropriate and are specific and genuine. Financial redress is offered, again where appropriate, and this ranged from £50 to £190.

Commentary

Although no complaints were escalated to me this year, I have had a thorough and unimpeded review of all the service complaints made to CISAS. In my complaints audit I carried out case sampling: I reviewed all the complaints that had been labelled as out of scope and half of the cases deemed to be in scope. This has given me a far wider overview of the issues arising in service complaints, and the handling of those complaints, than if I were limited to considering those cases escalated to me for investigation.

Only a few of the complaints I reviewed in my sampling have raised issues that go beyond the details of the particular complaint. I describe a few of these issues below.

Administrative errors

As is true of just about any busy, customer-facing organisation, administrative errors occur at CISAS. I note fewer examples of delays this year than last, which is positive. In one case the complainant suffered a number of irritating failures – for example, not getting call backs as promised, and receiving misinformation. The complaint was upheld in part at Stage 1, and the Compliance Officer apologised and offered £50 in recognition of the failures. The response letter was carefully prepared and provided a thorough response, with findings on each aspect of the complaint. It also provided appropriate escalation information should the complainant remain dissatisfied.

The complainant requested his complaint be escalated, on the basis that he thought a higher payment was merited, but he also thanked the Compliance Officer for such an in-depth and considered response. CISAS responded at Stage 2 with the view that the offer made by the Compliance Officer had been reasonable. The complainant did not request further escalation.

A more serious error occurred in another complaint. CISAS failed to send the consumer's comments on the company's defence to the adjudicator in time. The adjudicator made a decision on the case without having seen those comments. At Stage 1, the Compliance Officer acknowledged the error, apologised, and offered £50 in recognition of the failure.

In my mid-year audit of service complaints, I reviewed this complaint. I reported to CISAS that I was concerned that the complainant had lost the opportunity to have the adjudicator consider his comments on the defence. In another complaint in which there was an error in conveying evidence prior to the adjudication decision, CISAS had agreed to send the adjudicator the evidence and ask him to consider it. If the adjudicator decided that the evidence would have merited a higher award than he had made, then CISAS would agree to pay that amount to the complainant. I was concerned that there was a lack of consistency in the approach taken in these two cases.

At my end-of-year review, I was pleased to see that at Stage 2 CISAS had offered to the complainant to send his comments to the adjudicator for consideration. CISAS promised to pay any difference of award that resulted from the reconsideration, as well as the £50 payment for the service failure that had been offered at Stage 1.

Eligibility of complaints

An oversight meant that a case was adjudicated but later determined to be invalid because the service provider was no longer a member of CISAS. The complainant approached Ombudsman Services, which the service provider had joined, but Ombudsman Services declined to take it on. (It would appear that the complaint arose after the company had left CISAS but before it joined Ombudsman Services.) The complainant was caught in limbo between the two ADR schemes for telecommunications complaints.

In this case, CISAS successfully used its persuasive power to convince the service provider to pay the adjudicator's award to the complainant. It was a good outcome for that complainant, but it raised concerns for me about this as a wider issue. Some companies might not be as amenable to such persuasion, and there is nothing to require them to comply with an adjudication award that does not bind them. I recommended that CISAS take particular care at the stage of determining eligibility, to ensure that it did not inadvertently accept cases outside of its membership.

Language

At one point in the period reviewed, in approximately August-September 2013, CISAS took the decision not to give a specific timescale for complaint responses but to tell the complainant that a response would be sent 'in due course'. I believe this might have been done during a period of transition, when the timescale for Stage 1 responses was increased.

I am pleased to see that this phrase is no longer being used. It is infuriating to complainants to be given such a vague timescale, and it can appear dismissive and cavalier. It is better, in my view, to provide a specific timescale and, where delays are unavoidable, to update the complainant regularly and provide a new deadline for response. This will help manage expectations and reassure complainants that their complaints are being taken seriously.

Adjusting procedures

In one case I reviewed, I was concerned that more could have been done to assist the complainant in making an application to CISAS. The complaint was about the requirement that the complainant complete a written application to take his case to CISAS. It was deemed that this issue was not a service complaint because it is a requirement stipulated in the CISAS Rules. However, indications from the complainant's handwriting, coupled with his request for a phone call, suggested that he had particular needs relating to completing a written application. Had these been identified, a member of the CISAS staff could have phoned him at the application stage to facilitate his submission of the application – by, for instance, taking the details of his case over the phone and sending him the completed application form for checking and confirming. This would be a reasonable adjustment to make to normal procedures in order to assist someone with a disability. Service providers have a legal duty to be proactive in assisting those with access needs. This does not mean presuming what a service user needs. I would expect service providers to be alert to indications of such needs and explore with the service user whether an adjustment is needed to usual procedures. In this case, even if the complainant had not specifically requested an adjustment, I would have expected it to be offered.

This appears to be a one-off issue and not a systemic one. I have previously recommended that IDRS should publish its procedure for making reasonable adjustments. This is important to inform service users of the approach taken to making reasonable adjustments and its obligation to do so proactively. I repeat that recommendation this year, and also suggest again that it might be that a refresher session would be useful to focus on being proactive in identifying where it may be appropriate/necessary to offer reasonable adjustments even if not specifically requested by a complainant.

Another complaint involved a parent making an application on behalf of his disabled daughter. Again, there were issues about whether CISAS acted appropriately in responding to this. This is not an issue specific to disability; any complainant is entitled to authorise someone to do so on their behalf. I asked CISAS to remind staff of the role of authorised third parties acting on behalf of complainants.

Compliance and enforcement

One complaint I reviewed had unusually prolonged correspondence about the service complaint. The complaint was about alleged poor communication, delays, lack of rigour and compliance issues. The case had been settled between the consumer and the company. CISAS agreed that the company had not fully complied. CISAS apologised and agreed to re-open the case.

Last year I reported on concerns about companies failing to comply with adjudications and settlements. I urged CISAS to consider what it can do to explain to complainants its role in enforcement. In this complaint, CISAS apologised for misinforming the complainant about updates and said they would do further training. The company was two months late in complying with the award, and CISAS had chased the company. The company told CISAS the cheque would be sent in due course, and CISAS explained to the complainant that there was nothing further it could do. CISAS suggested the complainant could make another complaint about the delay in compliance. CISAS does not have the power to make an additional award against a service provider for delays in compliance.

It is important to complainants that companies are held accountable for delays in implementing an award. The fact that no redress is available is a detriment for consumers and a reputational risk for CISAS, contributing to a perception by some complainants that it is a 'toothless tiger'. This is a matter for CISAS to take up with Ofcom, and I understand this is in progress.

Progress on last year's recommendations

Last year I gave feedback to CISAS on lessons learned and in some cases recommended improvements in practice or procedure. I made a total of seven recommendations. I am pleased to say that all my recommendations from last year have been actioned and are either completed or in progress.

Clarity on CISAS's role in enforcement

As noted above, this recommendation is the subject of discussion with Ofcom and is in progress.

Clarity on settlements

I did not see difficulties with settlements (other than compliance delays) in my review of service complaints this year. Last year, I partially upheld one complaint about whether or not a settlement had been achieved. I thought the Rules were unclear and I recommended that CISAS should clarify in its Rules when it considers that a service provider has given the customer all that she or he asked for. This recommendation has been completed, and a change to the Rules was made during the year to clarify what a company must submit to CISAS to confirm a consumer has accepted a settlement.

Adjusting procedures

Last year I recommended that CISAS publicise its approach to making reasonable adjustments. This is currently in progress.

Approach to unreasonable behaviour

Last year I urged CISAS to develop and publish a policy explaining its approach to unreasonable behaviour. I am pleased to see that this has been completed, and a policy on unreasonable behaviour is now on the CISAS website.

Conclusion

In my review of service complaints about CISAS, I have considered whether all issues complained of were addressed, whether the responses were timely, and the clarity and tone of responses. I have also considered the redress offered in complaints that were upheld.

The complaints process appears to be working well. The responses to service complaints at the internal stages are thoughtful, considered, thorough, clear and timely.

In my auditing I identified some specific concerns in relation to individual complaints, as noted in this report. I have also made more general recommendations about publishing information about reasonable adjustments and about my role on the CISAS website.

Recommendations summary

I recommend that CISAS:

- Be clear and specific about timescale for responses. Avoid using vague phrases to explain timescale such as 'in due course'. Where a delay is inevitable, update complainants and provide an apology, explanation and new timescale.
- Establish set criteria for labelling complaints as in or out of scope. Where a complaint is solely about an adjudicator's decision, with no service issues, this would be out of scope; but where a complaint contains an element of service issue, it should be labelled in scope.
- Take care when determining eligibility to ensure a case against a non-member is not accepted for adjudication.
- Publish its procedure for making reasonable adjustments and consider refresher training to focus on being proactive in identifying where it may be appropriate/necessary to make reasonable adjustments even if not specifically requested by a complainant.
- Continue to work with Ofcom to identify what steps CISAS can take in cases where a service provider delays implementing an award.
- Publish my Terms of Reference and a brief explanation of my role on the CISAS and POSTRS sections of the IDRS website.

Acknowledgements

Staff at CISAS have been very helpful in facilitating my access to complaint files. I want to thank in particular Gina Shim and Graham Massie for their constructive responses to my recommendations and Tom Earley for his openness in discussing responses with me. I also want to thank the consumers who have raised complaints; it is through them and the genuine service complaints they raise that improvements can be identified and implemented.

