

CISAS

Communications & Internet Services
Adjudication Scheme

Annual Report 2012



**Independence
Integrity
Impartiality**

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Introduction from the Chief Executive



I am pleased to present the latest edition of the CISAS Annual Report. Due to the organisational changes that took place as a result of the Centre for Effective Dispute Resolution's (CEDR) acquisition of IDRS Ltd from the Chartered Institute of Arbitrators in late 2011, an annual report was not published in 2012. This report therefore covers the period from 1 January 2011 to 31 December 2012. It is with pleasure that I report that the contractual agreements between CISAS and many of the telecommunications and internet service providers that form our subscriber base were renewed in late 2012. We look forward to strengthening the working relationships that we have with our subscribers in future, while delivering improved independent consumer complaint resolution. 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 with 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.

Several organisational changes have been made since CEDR acquired IDRS Ltd. Not only have the staff members of IDRS Ltd moved to CEDR's offices, but there have also been several internal changes. Yvette Yates, the previous Director of Service Delivery, left IDRS Ltd in August 2012. I would like to extend my thanks to Yvette for the pivotal role she has played at IDRS Ltd since its creation in 2007, and we all wish her the best of luck in the future. Congratulation goes to Gregory Hunt, who has recently changed roles from Managing Director of IDRS Ltd to assume the role of Director of Client Relations across the whole of CEDR. Graham Massie has been appointed the Chief Operating Officer of IDRS Ltd and is now responsible for the operations of CISAS and all other IDRS Ltd services. Gina Shim oversees the day-to-day management of CISAS in her capacity as Schemes and Business Development Manager. I would also like to welcome Margaret Doyle as our Independent Complaints Reviewer, who was appointed in June 2012 following the retirement of Ros Gardner.

This report sets out the main trends that have emerged in the past year, in terms of the disputes brought to CISAS and the outcomes of the Adjudicators' decisions. I am able to report that the number of both enquiries and valid applications made to CISAS has substantially increased in the last two years, and the overall performance of CISAS in relation to our key performance indicators has improved across the board.

A handwritten signature in black ink, appearing to read 'Karl Mackie', written over a light blue horizontal line.

Dr Karl Mackie CBE
Chief Executive

Head of the Panel of Adjudicators' Report



I am delighted to contribute to the CISAS annual report. I am most pleased to report that companies have been seeking to deliver an ever improving level of service to consumers and are sign-posting the dispute resolution process in a way that is more user friendly for the consumer. CISAS has experienced a steady increase in case numbers since 2011. This was as a direct result of obligations placed on the companies by Ofcom which came into force on 22 July 2011 but operated retrospectively from 22 May 2011. Since that date all companies have to provide details of their dispute resolution provider on the bill and also signpost all complainants, whose dispute had not been resolved after 8 weeks, to that provider.

A new format for the Adjudicator's Decision has also been in place for over a year and has received widespread acceptance and approval from both consumers and companies because of its easy to read, user friendly style. Difficult legal concepts or complex problems are explained clearly and simply leading to a careful, well balanced decision.

Complaints and disputes do continue. Some of the problems which trouble consumers the most are highlighted in the easily accessible, online CISAS case studies and compensation summaries. They include:

- Consumers continue to feel they have been unfairly treated when they return from holidays abroad and face very large bills for roaming charges. This has become more noticeable with the increased use of smart phones and the downloading of data. These cases rarely succeed as companies by and large provide the necessary information to consumers on the implications and costs of downloading data abroad. The media has also highlighted the risks of consumers not taking precautions to limit or restrict use. However, positive steps have been taken by the European Union in recent years to minimise costs incurred by consumers when roaming within the EU. In July 2012, new Regulations came into force ensuring that consumers cannot be charged more than €50 in any month for data downloads when abroad in the EU, as well as capping the price of outgoing calls at €0.29 per minute, outgoing texts at €0.09 each and data at €0.70 per Megabyte.
- Similarly consumers often feel aggrieved when their phone is mislaid or stolen and they face high bills for not reporting the loss immediately. Again it is rare for such cases to succeed as the responsibility rests with the consumer to keep their phone safe, the SIM card password protected and to report the loss.
- One issue that does cause confusion and annoyance among consumers is the release of telephone recordings. Very frequently consumers are told by companies that their calls are recorded. However when consumers ask for the recordings to be released to help support their case the companies often do not do so for a host

of reasons ranging from the calls were either not recorded in the first place or are no longer available. Not to release the recordings inevitably leads to a suspicion in the mind of the consumer that the recordings are being held back. Some companies do readily release recordings particularly to provide evidence that the consumer did agree to sign up for a contract of a particular length and was fully advised of its terms and conditions. Listening to the original recording can be very helpful to the Adjudicator because, for example, the consumer's assertion that they were not properly informed is shown to be incorrect, or over aggressive sales tactics have been used by a company and the consumer has been clearly brow beaten into accepting a deal which they either did not want, was not appropriate or did not fully understand.

Once again I would like to thank all the Adjudicators on the CISAS Panel of Adjudicators for their dedication and the high standard and consistency of their decisions as well as the CISAS executive for ensuring the scheme is administered smoothly and efficiently.

A handwritten signature in black ink that reads "M. Coombes Davies". The signature is written in a cursive, flowing style.

Mair Coombes Davies
Head of CISAS Panel of Adjudicators

Subscriber News

Our subscribers cover all aspects of the consumer communications market. It is worth noting that our relationship with subscribers is governed by contract. The contract places obligations upon the companies for compliance with the decisions of the adjudicator. This escalation process may involve Ofcom. The escalation process and our relationship with Ofcom and the Ombudsman Service allows us to work to ensure that the consumer receives the redress intended by the adjudicator.

We also continue to welcome members of ISPA (The Internet Service Providers Association), ITSPA (The Internet and Telephony Service Providers Association) and the FCS (Federation of Communication Services) to CISAS.

The triennial contract for our subscribers expired at the end of 2012. Some companies have left whilst new ones have joined. Please visit our website at www.cisas.org.uk for a current list of subscribers.

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 8 and 9 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 10-13, are of great interest to all CISAS stakeholders. For example, we report on the amounts claimed by consumers as compensation, how much is actually awarded by our adjudicators, and what the main reasons are for making an application.
3. Customer satisfaction – We undertook a customer satisfaction survey in 2012, the results of which are shown on pages 14-19. This data gives us a vital insight into what enquirers (people who contact us for information but then do not actually make an application to use the service) and users (people 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 then 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 2011 and 2012 is detailed below.

KPI One: Percentage of cases concluded within 6 weeks of application from the customer

CISAS Target for 2011/12: 88%

2011 Achievement: In 2011, 87% of cases were completed (“completed” means issuing a final decision) within six weeks of the application being made by the consumer. Although this is an improvement on the figure for 2010 (85%), the small shortfall occurred as a result of the disruption following the acquisition of IDRS Ltd by CEDR towards the end of 2011, which necessitated a refocus of resources.

2012 Achievement: In 2012, 92% of cases were completed within six weeks of the application being made by the consumer. We therefore surpassed our target by 4% in 2012.

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

CISAS Target for 2011/12: 10%, allowing for exceptional circumstances only.

2011 Achievement: In 2011, only 4% of cases were completed more than 8 weeks after an application was made by a consumer. This means that we exceeded our target of 10% by 6%, an improvement of 1% on the figure for 2010.

2012 Achievement: In 2012, just 2% of cases were completed more than 8 weeks after the application was made by the consumer, surpassing our target by 8%. This was another annual improvement in this KPI.

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

CISAS Target for 2011/12: 95% (allowing for occasions where staff are not available due to internal training and for peak periods)

2011 Achievement: Virtually all calls (100%) were answered within 2 minutes by CISAS staff throughout 2011.

2012 Achievement: Virtually all calls (100%) were answered within 2 minutes by CISAS staff throughout 2012.

The 2 minutes 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%

2011 Achievement: 94% of written correspondence was responded to within 5 working days, exceeding our target by 4%.

2012 Achievement: CISAS turned around 96% of written correspondence within 5 working days, exceeding our target by 6% and representing an improvement of 2% on the figure for 2011.

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

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

2011 Achievement: The figure for 2011 was £294.38

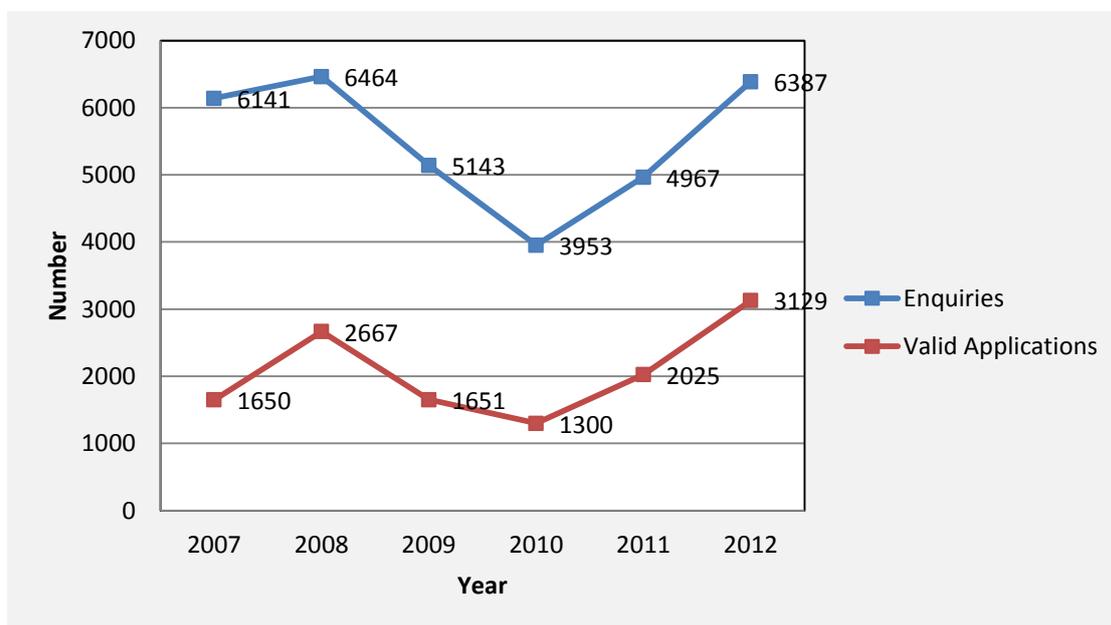
2012 Achievement: The figure for 2012 was £269.62

The figure for the year of 2010 was £300.90. There has been a gradual decrease in the overall unit cost over the last two years. This is a reflection of the increase in case numbers we have experienced as a result of Ofcom's obligation on all communications providers to signpost complainants, whose dispute had not been resolved after 8 weeks, to the relevant Alternative Dispute Resolution (ADR) provider.

Service statistics

CISAS enquiries and valid applications 2007-2012

The graph below shows the number of enquiries and valid applications we received since 2007 (CISAS began providing services in late 2003). An enquiry is any form of contact (phone, email, fax, text phone, post) to CISAS. A valid application for the purposes set out below, are applications CISAS have received which at first glance, fall within scope.



During 2011, we handled 4967 enquiries, an increase of 26% when compared to 2010. This figure went up again to 6387 enquiries in 2012, an increase of 29% on 2011.

Furthermore, CISAS received 2025 initially valid applications in 2011, an increase of 56% on 2010. In 2012, the number of initially valid applications went up to 3129, an increase of 55% on 2011.

NB. In 2011, 119 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. In 2012, 394 applications were withdrawn in this way.

It is clear from the graph above that, despite a decline in the volume of enquiries and initially valid applications between 2008 and 2010, these figures have increased through 2011 and 2012. The conversion rate of enquiries to initially valid applications rose by 8% in 2011, resulting in a total of 41% of enquiries being converted to valid applications. This increasing trend continued in 2012, with 49% of enquiries being converted into valid applications. The reason for this marked increase from previous years is that, from July 2011, Ofcom placed a requirement on all communications providers to signpost consumers who have been in dispute for at least eight weeks to the relevant ADR body. This had previously not been the case, which may have prevented many consumers from escalating their complaints to CISAS.

There is a considerable difference in the number of enquiries CISAS receives, and the number of applications CISAS accepts each year. In 2011, 4967 enquiries were made, yet CISAS processed 2025 valid applications. In 2012, CISAS received 6387 enquiries although we processed 3129 valid applications. One of the main reasons for this is that consumers contact CISAS too early and do not give the communications provider a chance to deal with their complaint in line with its published complaints procedures. These 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 initially valid applications only and do not include data taken from applications which were not accepted as being out of scope:

- Of the 2025 valid applications made during 2011, 61% 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 3129 valid applications made during 2012, 60% 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 1134 cases which proceeded to a decision from an adjudicator in 2011, 41% were found in favour of the consumer. In 2012, 45% of the 1592 cases that proceeded to adjudication were found in favour of the consumer. This is a decrease on previous years.
- Of the 1134 cases that proceeded to a decision from an adjudicator in 2011, the consumer provided us with written acceptance of the decision 42% of the time. In 2012, just 27% of decisions were accepted by consumers.
- On average, consumers took 14 days to confirm whether or not they accepted the decision in 2011 and 2012, which was a slight increase on the average of 12 days taken in 2010.
- Of the 2025 valid applications made in 2011, 568 (28%) were made online. In 2012, 1463 applications (47% of the total) were made online. These are significant increases on previous years, showing 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 2011 or 2012.
- In 2011, the most common causes for complaint against a member, where specified by the consumer, were billing (25%), charging (21%), loss of service (6%) and ISP service (5%). These continued to be the most common causes for complaint in 2012, with billing (17%), charging (15%), ISP service (9%) and loss of service (6%) being the most popular reasons to complain. Similar proportions are reflected in previous reporting periods.

- The following breakdown shows what remedies consumers asked for in 2011 and 2012, (The total percentage equals more than 100% because it is possible to seek a mixture of outcomes. Figures are taken from cases where a decision was made by the adjudicator):

Remedy	2012	2011	2010
Compensation plus an apology	53%	58%	46%
Compensation plus an explanation	40%	41%	36%
Compensation plus other action	19%	27%	54%
Compensation only	6%	8%	6%

- 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 2011 and 2012. It continues to be comparatively rare for consumers to claim compensation alone.
- On 65 occasions in 2011, the consumer did not request compensation at all. This figure was 115 in 2012.
- £208,174 in compensation was claimed under CISAS during 2011, while a total of £416,772 was claimed in 2012.

Average amount of compensation claimed per case 2007-2012

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



- The average amount claimed in 2011 was £810 which was an increase of £223 compared to 2010, when the average claim was £587. This figure increased again in 2012 to an average claim of £856, £46 more than in 2011. The chart above shows the average compensation claim per case for each year from 2007 to 2012, which has increased significantly in the last two years.
- The total amount awarded as compensation by adjudicators in 2011 was £32,699, making an average award of £230 per case. In 2012, the total amount awarded was £42,606, making an average award of £99 per case. The average award per case was £173 in 2010, demonstrating that this figure has varied widely in the past.
- In 2011, the consumer and the company settled the claim by mutual agreement in 772 cases (38%), prior to the appointment of the adjudicator. The parties settled 1143 cases (37%) by mutual agreement in 2012. This was a decrease on the 46% of cases settled by the parties in 2010.
- 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 6% of applications made in 2011 included a deadlock reference number from the company, a figure which increased to 7% in 2012. This was a slight decrease on the 9% of applications which included a deadlock reference number in 2010.

Report on customer service satisfaction survey

In order to monitor customer experiences and satisfaction levels, CISAS undertakes a regular customer satisfaction survey. Due to organisational changes that took place following the acquisition of IDRS Ltd by CEDR, customer satisfaction statistics are not available for 2011. Statistics were obtained from a smaller sample of CISAS users and enquirers in 2012, which the following data is based on. Changes have now been implemented to ensure that, going forward, feedback will be requested from all users (those who refer a complaint to CISAS) at an earlier stage of the administrative process. Feedback will also be requested from all enquirers (those who contact us without ultimately making an application to use the scheme).

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 survey for 2012 has shown:

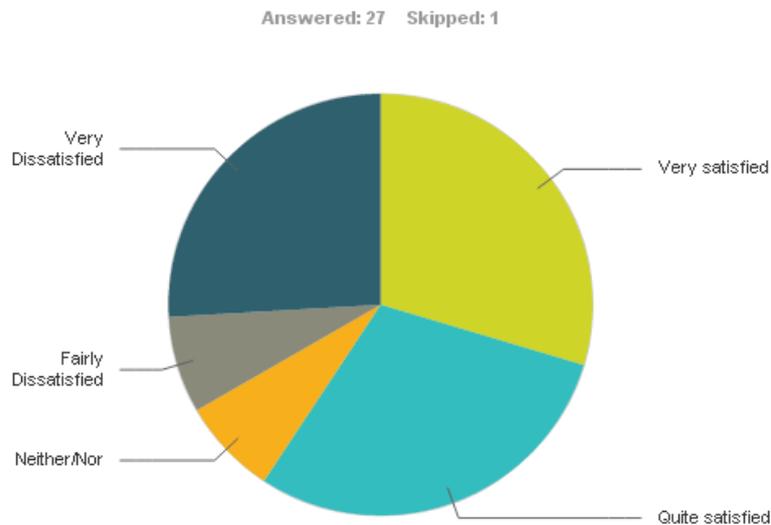
- Users remain satisfied with the overall level of service provided by CISAS
- Most users found it very easy to get in touch with CISAS
- The website remains an important source of information for those who seek information on CISAS, and satisfaction with the information provided on the website is high
- The majority of our users would be willing to use CISAS again, and would also recommend CISAS 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.

How would you describe your overall satisfaction with the service provided by



60% of Users said they were either 'very satisfied' or 'quite satisfied' with the overall level of service they had received from CISAS. This is somewhat lower than the previous figure of 73% from 2010.

These satisfaction scores can be contextualised on the basis that Users may have based their opinion on whether they obtained a successful outcome to their dispute rather than on the quality of the service provided to them by CISAS. For this reason, levels of satisfaction with decisions issued by our adjudicators were polarised, with roughly half of Users being very satisfied with the adjudicator's decision whilst the other half were very dissatisfied. It is therefore an on-going priority for CISAS to continue to emphasise the independent role of adjudicators in our correspondence with customers. This will go some way towards helping Users to differentiate the outcome of their case from the quality of service provided by us.

Below are a few examples of positive feedback we have received from users of the service over the last two years.

"I would just like to say thank you for the assistance of yourself and CISAS in this case. Large organisations seem at times to be oblivious to the issues that their customers have and your organisation has provided an invaluable service in this respect."

"Thank you very much for all the help."

"I do wish to thank you wholeheartedly for your actions in this case, which without you would have left myself the customer, floundering in the abyss. I am very grateful that there are organisations like your good selves that assist the small man/woman, in this increasingly hostile large company run world of ours. You give us all, a little bit of hope!!"

"Thank you very much for positive settlement of this case!"

"I would like to thank you for help and support in this matter."

"I cannot thank you enough for looking at my case and helping me. You have made me very happy on today of all days my birthday."

"I would also like to thank you for all the help you have given me, and the adjudicator for her time and trouble presiding in the dispute resolution procedure."

"I wish to thank you and all involved most sincerely for all your assistance with this matter."

(ii) Enquirers' overall satisfaction with the CISAS service

Enquirers to CISAS (i.e. those who often have only one contact with us) 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 to enquire about our service.

The customer journey

(i) Initial source of awareness

Almost half of our customers became aware of CISAS by searching the internet. Comparatively few customers were first made aware of CISAS by a communications company or from alternative advisory bodies (e.g. Citizens Advice, Trading Standards, Consumer Focus). This is a trend that has been noted in previous reporting periods.

75% of customers had not received any advice elsewhere prior to making contact with CISAS. This has also been a common trend reflected in previous reporting periods.

(ii) Getting in touch with CISAS

Over half of customers 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.

Over 80% 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.

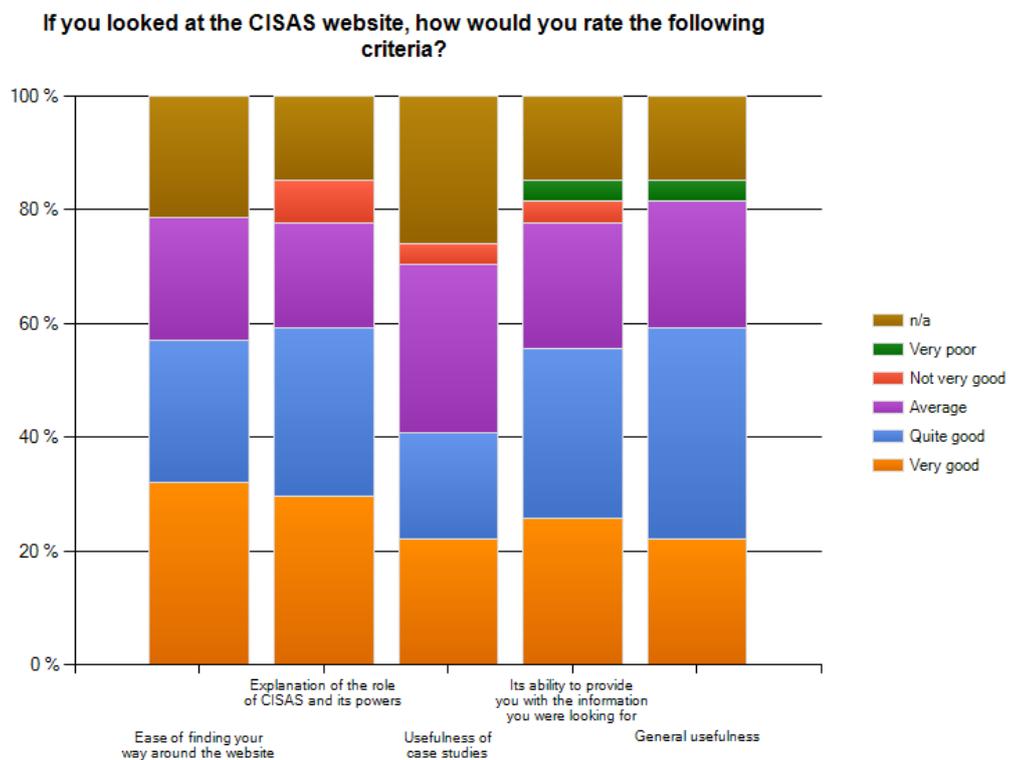
The vast majority of customers made their first contact with CISAS via e-mail, with telephone being the second most popular form of communication. Contact by other means, such as post or fax, was used by less than 1 in 10 customers.

Over 90% of users reported that it was either 'very easy' or 'quite easy' to get in touch with CISAS.

(iii) Feedback on the CISAS website

The CISAS website has a vital role to play in spreading awareness of CISAS' role and the services we offer.

The diagram below shows the feedback that has been received on the CISAS website in 2012:

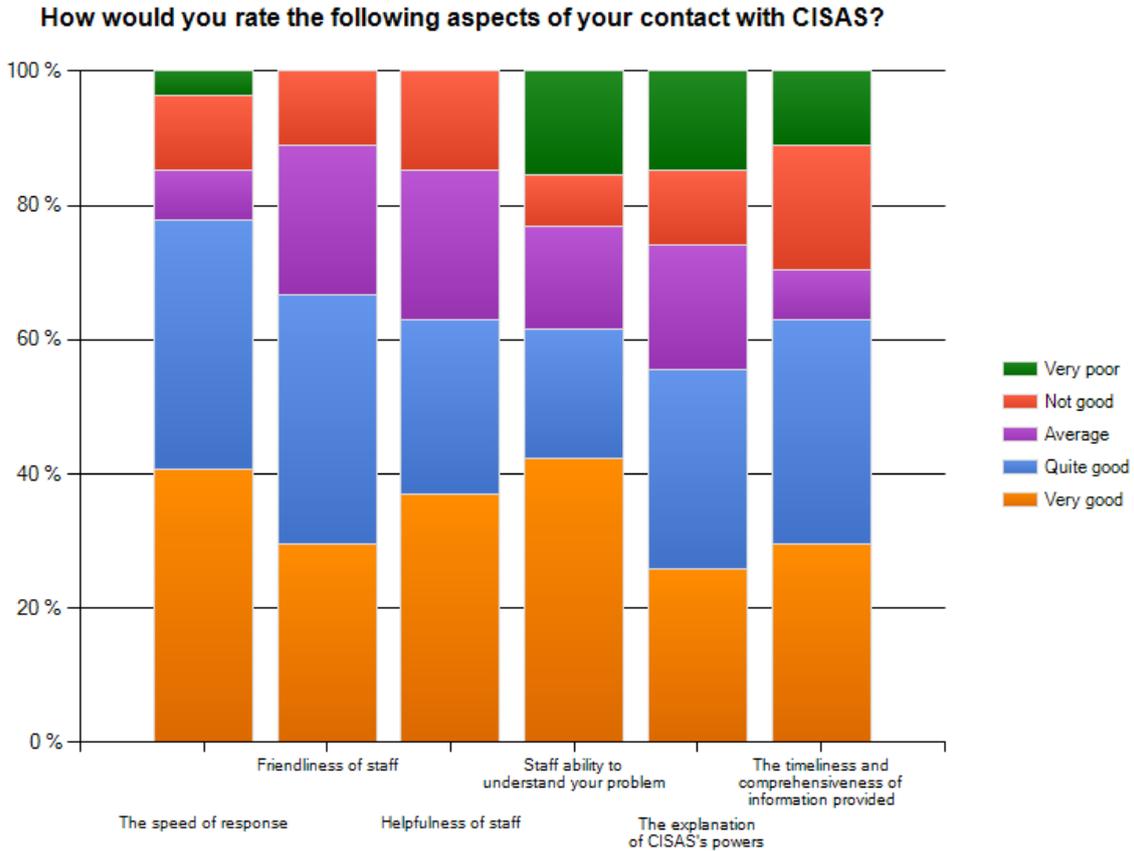


Generally, most of the customers who responded to this question had positive feedback on the ease of finding their way around the website; the explanation of the role of CISAS and its powers; the ability to provide the information they were looking for; and the general usefulness of the website overall. We also received positive feedback, although to a lesser degree, on the usefulness of the case studies. 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.



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.

“Responded swiftly to e-mail communication. Sent copies of all correspondence.”

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. Roughly equal amounts of Users agreed and disagreed that, after their case had been taken on by CISAS, their communications company offered to settle their complaint. In

addition, roughly half of Users believed that CISAS had an effect on encouraging the company to settle.

A majority of Users were in agreement that CISAS was very helpful and that our intervention made a difference. This is a trend that has been reported in previous years.

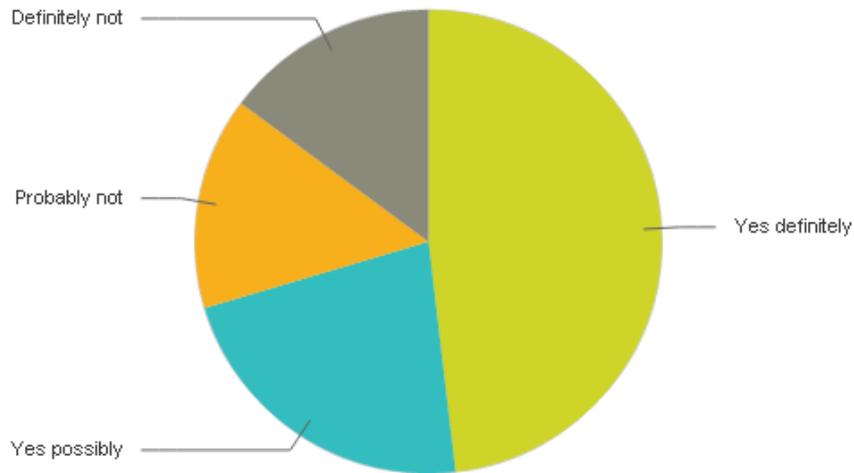
“The service is pretty good, it galvanised the company to respond to my complaint whereas up until then they had refused to acknowledge it.”

“The ONLY way [the communications company] would respond to me, they had previously ignored my numerous attempts to resolve the issue.”

(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.

Would you be willing to use CISAS again?



The diagram above shows that a total of 70% of Users would be willing to use CISAS again. The same proportion would recommend CISAS to others. These are encouraging statistics, particularly when viewed in light of the fact that just over half of all cases decided by an adjudicator in 2011 and 2012 did not have an outcome which was in the User’s favour. This indicates that a significant proportion of Users whose cases do not go in their favour would still be willing to use CISAS again in future and recommend it to others.

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.

CASE 01

Early termination charges

The customer claimed that his contract with the company should be ended immediately without any early termination charges as the company had incorrectly applied a 60 month term and charged him for services that he did not request. The company provided evidence showing why there was a 60 month term.

The Adjudicator found that the 60 month term was correct in this particular case, as the contract was concluded prior to 25 May 2011. The Universal Service Directive caps the initial contract period for residential consumers at 24 months for contracts concluded after this date. The adjudicator found that the additional service charges were fair and reasonable, as were the steps the company had taken to arrange a refund for the charges for services not requested by the customer. Although the company had not correctly applied an opt-out service feature, this was a minor failure and was not sufficient to justify the immediate termination of the customer's contract without the customer paying the early termination charges which had been agreed at the beginning of the contract.

CASE 02

Changing agreed charges

The customer complained that she had entered into a new contract over the phone after being contacted by the company but she had not received a copy of the contract. The first bill was more than the customer had agreed to. She immediately contacted the company who refused to change things. The customer wanted to either cancel the contract or change the amount charged to that which the company had originally offered over the phone. The customer also claimed £114.00 for the costs she had incurred in dealing with the complaint.

The Adjudicator found that the company could not demonstrate that the customer had received the contract as called for by the Distance Selling Regulations. Consequently the company was directed to treat the contract as cancelled and refund all sums paid by the customer. The customer's claim for £114.00 did not succeed as she had provided no evidence to support such a claim.

CASE 03

What was agreed?

The customer complained that he had negotiated with the company for the supply of a package which included high definition television channels for £76.50 per month but after installation had taken place the channels were not received. The company maintained that the HD channels were not part of the package. The customer claimed compensation of £50.00 together with the provision of the HD channels.

The Adjudicator found that the customer had provided clear evidence that the provision of the HD channels had been agreed between the customer and the company. Consequently the company were obliged to provide those channels as part of the customer's package and pay £50.00 compensation to the customer for the frustration and inconvenience it had caused him.

CASE 04

Services charged at new and old addresses

The customer complained that he had transferred his services to a new address but the company left the account at the customer's old address open and continued to charge for services at the old address. The customer only realised what had happened when he found a default on his credit file. The company asserted that the customer had transferred his services to his new address but three days later he requested reconnection at his old address. The company had charged the customer correctly and the default was correct, however, it had taken action to remove the default as a goodwill gesture.

The Adjudicator found that the company had reconnected the customer's services at his old address in error, charged him incorrectly and then applied a default incorrectly. The Adjudicator directed the company to apologise to the customer, pay compensation of £100.00 and ensure that the default was removed from the customer's credit file.

CASE 05

Wrong third party service charges

The customer complained that he had been wrongly billed for a third party service to his handset made available by text messages. When he received the first bill the customer contacted the company and explained that he had not ordered the service. The company gave him the contact details of the third party whom he contacted. The customer got through to the third party's answering machine which asked him to give his details if he wanted to stop receiving the messages, this he did. However, he continued to be billed for the third party service. The company maintained that the likelihood was the customer had ordered the service, and if he had not then the company's Terms and Conditions (which made the customer liable for all charges applied to the account until such time as he reported any theft or loss of the SIM card) obliged him to pay for the service.

The Adjudicator found that it was unlikely the customer had ordered the service and that the Terms and Conditions did not oblige the customer to pay the charges (the Terms and

Conditions could not be interpreted so as to make the customer liable when there was no underlying obligation on him to pay the third party). Even if there had been a contract, it had been brought to an end once the telephone message had been left by the customer so there could be no further liability to pay.

CASE 06

Charges after contract cancelled

The customer complained that the company had wrongly raised a bill after the customer had paid a buy-out fee to cancel the contract. The company explained that the disputed sum related to services provided to the customer before the contract had been cancelled. Since a request for payment had been made to the customer's bank at the time of the cancellation, the disputed sum had not been included in the calculation of the buy-out fee. When payment was rejected by the customer's bank, the company had pursued the customer.

The Adjudicator found that the customer was liable to pay the company for all services provided to him before the contract had been cancelled.

CASE 07

Text messages

The customer had opted out of receiving promotional text messages. The company sent the customer a text message informing him of changes to the service. The customer complained that as he had opted out of receiving messages by text, the company should not have sent the message.

The Adjudicator found that the text message was not promotional. The company had a duty of care to provide the customer with important information about changes to his service.

CASE 08

5 year default notice

The customer complained that the company had waived the customer's outstanding balance but had not removed the default placed on his credit file. Five years later the customer received a number of rejections from potential creditors including failing to get his house re-mortgaged. He was advised to check his credit file and contacted the company. Months passed before the company arranged to have the default notice removed.

The Adjudicator found that the customer had suffered inconvenience through the company not having acted in a timely manner and awarded the customer compensation of £500.00.

CASE 9

2 year default notice

The customer complained that the company had placed a default on his credit file for two years which prevented him from obtaining credit. The company explained that the customer had made a previous application to CISAS which the company had agreed to settle by clearing the default from his credit file. By the time the settlement was agreed the outstanding balance on the customer's account had been sold to a debt collection agency. It took the company several months to purchase the debt back so that it could be cancelled.

The Adjudicator found that although the company had agreed to clear the default from the customer's credit file as a goodwill gesture, it caused an unreasonable delay in arranging for the debt to be purchased back and waived approximately five months after the settlement had been agreed. The company was directed to pay the customer £100.00 for the stress and inconvenience it had caused.

CASE 10

Faulty equipment

The customer complained that a handset provided by the company had developed a fault but the company had not responded to his complaint. The company maintained that as the faulty equipment was out of scope of CISAS the customer's complaint should not be considered by CISAS.

The Adjudicator found that while the customer's complaint about the faulty handset fell outside the scope of CISAS; however, the complaint about the way in which the company dealt with his complaint was within scope. The customer had submitted a copy of an acknowledgement letter that he had received from the company stating that it would send him a response once it had looked into his complaint. As the company did not provide the customer with the promised response, the customer was awarded £50.00 in compensation.

Report from the Independent Reviewer



This is my first report as Independent Complaint Reviewer for CISAS, the consumer adjudication scheme for claims against communications providers. CISAS is run by IDRS Ltd. I was appointed in June 2012, following the retirement of my predecessor, Ros Gardner.

HOW I WORK

My role is to consider complaints about the level of service provided by CISAS in cases where the user of a service has made a complaint and remains dissatisfied with the response. I usually see complaints after the claim has been decided on, but occasionally I have to consider a complaint about a live claim or a claim that has not been accepted for investigation.

I do not consider the merits of a decision made by an adjudicator. In other words, I do not serve as an appeal to a decision or award with which someone disagrees. Instead, I consider issues of poor service – such as delay, administrative error, failure to respond or to keep people informed, and rudeness. I can recommend that appropriate action is taken by CISAS, including, where appropriate, financial compensation.

My investigations are primarily paper-based – in other words, I consider the complaint and any supporting evidence provided, I can, and do, contact complainants and CISAS staff to discuss aspects of the complaint where I decide this is appropriate. In addition to writing to the complainant with my findings and decision, I report back to CISAS on issues of concern and suggestions for improvements to procedures and policy.

CASE STATISTICS AND OUTCOMES

This year I have had six complaints referred to me about CISAS. This is an increase on previous years; in 2010 three complaints about CISAS were referred to the Independent Complaints Reviewer at stage 3 of the complaints procedure.

This is a very small number of complaints and so it is difficult to identify any patterns or trends. Out of a total of 6387 enquiries handled by the service in 2012, the 6 in which people complained to me represent a mere 0.09%. A total of 46 complaints about CISAS were received and considered at stage 1, and of these 18 were escalated to stage 2.

One complaint was closed without investigation; in that case, the complainant decided not to proceed. Another complaint I referred back to CISAS; it involved a decision by CISAS not to accept the claim for investigation, and after it was referred to me, CISAS decided it was eligible. Therefore I investigated four complaints during the year. All four were either fully or partially upheld (two of each).

Where I identify service failures I can, if appropriate, recommend that CISAS apologise to the complainant and/or make a goodwill payment. In three cases I recommended an apology. In four cases I recommended a goodwill payment, ranging from £50 to £150. In total I recommended £350 in payments.

I also give feedback to CISAS on lessons learned and in some cases recommend improvements in practice or procedure. I did so in all four cases this year, with a total of seven recommendations. I am pleased to say that all my recommendations have been actioned and are either completed or are in progress.

DEVELOPMENTS THIS YEAR

During the year a number of changes were made to the way service complaints are dealt with. There was a change in personnel, and a Compliance and Quality Officer was appointed to address all complaints at stage 1. Having carried out a review of service complaints, I am pleased to see that complaints are being addressed promptly and appropriately; many are being resolved at stage 1. Where the complainant remains dissatisfied with the response, and where the issue is one related to service rather than the adjudicator's decision, the complaint is escalated to stage 2. Response letters are considered and thorough.

COMMENTARY

I have said that the small number of complaints that I see means it is impossible to identify any patterns or to draw any useful wider conclusions. Only a few of the complaints I have considered have raised issues that go beyond the details of the particular complaint. I describe a few of these issues below.

Administrative errors

I identified delays in three complaints. In some cases delay is accompanied by a failure to respond to or acknowledge correspondence from a complainant, increasing the complainant's frustration. In any busy organisation, it is inevitable that such delays occur, and although this does not excuse delay, where the delay is minor, with no significant impact, I do not uphold the complaint. Where the delay is significant or accompanied by other failures, I am likely to uphold the complaint.

Other administrative errors can occur. In one case, only one side of each double-sided document submitted by the complainant had been scanned. Human error compounded the problem – the scanning error was not picked up by the adjudicator, and it was only identified when the complainant challenged the adjudicator's decision, which seemed to omit many aspects of the claim. This was a one-off, and has now been remedied, but it was a useful reminder of the care that is needed when assessing a file for completeness.

Eligibility of complaints

The issue of eligibility of an application to CISAS, and the issue of when a service provider denies that a complaint has gone through its procedures, are tricky ones for me as complaint reviewer. I am conscious not to overstep my remit, which is to consider service issues. The relationship between CISAS and its member companies is clearly outside of my remit. So is the decision on whether a case is within jurisdiction of CISAS. I would consider, however, a complaint about CISAS refusing to accept a claim because the service provider has not issued a deadlock letter. Where a complaint has been made, and the company has not dealt with it within eight weeks, the consumer has a right to go to CISAS. There is no requirement to produce a deadlock letter from the company.

A consumer had switched his phone provider because of what he felt was poor service. He then made a complaint on the phone to his former provider. Because he was no longer a customer of that company, the company considered his complaint had never been made, because he did not make it through the company's online portal – something the company required but that was not open to anyone other than customers. This Kafka-esque situation meant that when he took his case to CISAS, CISAS treated it as premature and insisted he go through the company's complaints procedure. I upheld his complaint about CISAS.

Compliance and enforcement

Several of the complaints I dealt with this year involved dissatisfaction by the complainant with the implementation of the remedy awarded by the adjudicator. Often this related to the apology that the service provider was required to provide to the complainant. In more than one case, the complainant disputed that the actual apology provided met the requirements of the adjudication decision.

I deal with complaints about other organisations as well as IDRS, and I note that this type of complaint is not uncommon. Adjudicators and ombudsmen can require an apology but they cannot dictate what is said in that apology. There is useful guidance available on how to make a meaningful apology, and I would expect adjudicators to be aware of this and, where necessary, inform service providers of best practice. They can help, for instance, by stating in their decisions exactly what failures the service provider is being asked to apologise for. Beyond that, I cannot see that they can tell a service provider what to say in an apology. I did not uphold complaints about the adequacy of apology letters or explanations from service provider.

I was pleased to learn that this last year, CISAS held a session on good practice in apologies for its CISAS Forum, which includes adjudicators and primary contacts within its member companies.

In cases where the service provider has not complied with the award, CISAS states (in its Information for Consumers on the website) that it will remind the service provider and may take action against them. CISAS also says that if the service provider still does not take the necessary action, it can cancel the service provider's subscription and report the matter to Ofcom. In one complaint that came to me, however, the action taken by CISAS was ineffectual and prolonged. When the complainant told CISAS that the service provider had not implemented the award, CISAS did agree to remind the service provider. Each time, the service provider said they had sent the required apology. But they provided no evidence of this, and nor did CISAS request it. Thus over the course of seven months the complainant was forced to chase the implementation of the award until the company complied.

As a result of this complaint, I asked CISAS to consider the issue of compliance and how its responsibility for enforcing adjudicators' decision would be clarified in the Rules and in the Information for consumers. This issue is currently under discussion with Ofcom.

Clarity about settlements

In one complaint I considered, the complainant alleged that her case should have gone to an adjudicator for investigation and decision. Her service provider had agreed to the outcome she requested in her claim form, although she disputed this because the explanation provided was not as detailed as she wished. Under its Rules, CISAS can decline to accept a case for adjudication if the service provider settles the claim – in other words, if the service provider agrees to give the complainant what they have asked for in their claim form.

I partially upheld this complaint because I thought the Rules were unclear (and I identified issues of delay and failure to respond), although I did not uphold all aspects of the claim. I recommended to CISAS that it should clarify in its Rules when it considers that a service provider has given the customer all that she or he asked for. Currently the Rules do not specify the basis for an adjudicator's judgment that a settlement has been reached – adjudicators do not, for example, insist on seeing the actual terms of the settlement as a matter of course. Also, the Rules do not specify who makes that judgment – in this case, it was made by a member of the administrative staff, not an adjudicator. The Rules as they are currently state that it is the customer who must confirm that an acceptable settlement has been reached, but that did not happen in this case.

Alleged disability discrimination by service provider

In one case I considered, the consumer claimed his service provider had failed to respond appropriately to his disability. Initially CISAS declined to accept his claim because it was a complicated issue of law – the adjudicator stated that it was impossible to separate the issue of

discrimination from the service issues. The case was then referred to a second adjudicator, who did consider the claim but stated that 'matters of discrimination are outside the scope of CISAS'. There was no consideration of the disability in either of the adjudication decisions.

I agree that adjudicators cannot make a determination of discrimination. For this, the complainant would need to take a claim in county court against the service provider. However, issues of access and meeting communication needs are a fundamental aspect of customer service as well as being potential discrimination claims. In my view, discrimination issues can and should be considered by CISAS adjudicators, as they are by ombudsmen schemes. I provided examples from other complaint-handling schemes, and I strongly urged CISAS to reconsider its approach to claims that involve an allegation of discrimination. As a result, CISAS has implemented a new objections process and the adjudication panel has been advised.

Adjusting procedures

In the case mentioned above, the complainant explained that telephone communication was difficult for him because of his hearing impairment. He became frustrated with having to communicate with CISAS by phone, and his behaviour became difficult for staff to manage. The complaint escalated. In my view, CISAS could have considered alternative approaches, including a face-to-face meeting, which might have been more efficient and cost effective.

No complaint-handling service is required to offer face-to-face meetings, and for most schemes like CISAS and ombudsman services it is not practical to do so. But all service providers should respond appropriately to the disability needs of their customers and to consider whether it can work in a different way to facilitate access and ease communication. I urged CISAS to publicise its approach to making reasonable adjustments. This is currently in progress.

Approach to unreasonable behaviour

Some complainants have unrealistic expectations of the service and make unreasonable demands, for example about how quickly they expect a response to a query. Usually these are managed well, but even when a call is handled professionally and calmly, there are times when a complainant becomes unreasonably persistent or demanding, and at times even abusive. In such cases, it is useful to have a policy explaining the actions the service will take when faced with such behaviour. It helps to manage expectations and ensures customers are treated fairly. I urged CISAS to develop and publish a policy explaining its approach to unreasonable behaviour, and I provided some examples of good policies to use as a reference. This has since been published on their website.

Signposting and information

The Independent Complaints Reviewer is mentioned in the CISAS complaints procedure, which is a document downloadable from the website. I explained to CISAS that I believe it would be helpful also to include on the website (not as a download) a description of the Independent Complaint Reviewer role, including my terms of reference, so that both consumers and service providers can have a clear and realistic expectation of what I can and cannot consider. I am discussing this with CISAS, and a review of my role is taking place as part of the review of the way service complaints are handled.

ACKNOWLEDGEMENTS

Staff at CISAS have been very cooperative in working with me, as have the complainants I have dealt with. I am aware that my decisions will not always sit well with one party to the complaint, and it is inevitable that when I do not uphold a complaint, the complainant may feel disgruntled. I hope, however, that even when I have not upheld a complaint, the complainant feels I have been fair and thorough in considering the issues raised with me.

I want to thank in particular Gina Shim for her constructive responses to my recommendations, and to the staff, former and present, for their administrative assistance in case referrals and their helpful responses to my queries. I also want to thank the consumers who have raised

complaints with me; it is through them and the genuine service complaints they raise that improvements can be identified and implemented.

A handwritten signature in black ink that reads "Margaret Doyle". The signature is written in a cursive, flowing style.

Margaret Doyle
Independent Complaints Reviewer