

**Minutes of the Twenty-Ninth Meeting of the Council of the Telecommunications
Ombudsman Service Limited (TOSL)**

Tuesday 8 September 2004 at 14:00

Towerhouse Consulting, MLS Business Centre, 59-60 Russell Square, London

Present:

Council: Peter Holland (Chairman)
Margaret Doyle
Chris Holland
Rosaleen Hubbard
Roger Jefferies
Jeremy Mitchell

In Attendance: Elizabeth France (Ombudsman)
Richard Brown
Richard Sills

1 Apologies for Absence

There were no apologies.

2 Minutes of the Council Meeting, held on 8 July 2004

The Minutes were approved for publication on the Otelo website, subject to amendment of the Member Board Report so that the first bullet point reads "case fees - the Board decided against any *immediate* change in the charging structure".

3 Matters Arising

All action points had been dealt with, other matters arising were covered under the Agenda items. The Council agreed that consideration of the Customer Satisfaction Survey should be held over until the October meeting.

4 Chairman's Report

The Chairman said that most of his points were included within Agenda items. He noted that he and the Ombudsman had met the Director General, Energy Group, of the DTI since the last meeting. They had had a valuable general discussion on our work and the report, then just published, on consumer representation in the regulated industries.

5 Ombudsman's Report

The Ombudsman noted that the principal items in her report were the linked backlog reduction and the increased number of new cases arising. With effect from the beginning of July, Otelo had seen a sustained increase in the level of complaints, leading to an expected 20% to 30% rise in the number of prospective cases for consideration. While the executive remained confident that the forecasts made in the "Note on Backlog Reduction", issued after the June meeting would be achieved for the

pre-existing cases, some further staff would be recruited to deal with the new influx. The key elements were the productivity of the Investigation Officers and the assumption that the incoming cases would be maintained at the new projected level. If the latter varied from the assumed 77 per week (which was the average of the ten weeks since the beginning of July), the executive would take further appropriate action within the overall remit agreed with the Council - to remain within the deficit level agreed in the budget. They would also ensure that the agreed KPIs were met.

There followed a discussion about the operations situation, particularly relating to the extent of the backlog of unprocessed cases and the strategy for dealing with them. In summing-up, the Chairman requested an up-dated review of the situation, including the strategy to reduce the outstanding cases to a satisfactory level.

Action Point 1:- The Executive to circulate a planning review of the case-processing situation and the strategy for reduction of the backlog.

The Ombudsman said that the Annual Report, which was due for formal launch later in the day, was now on the website. She also reported that she and Margaret Doyle had both spoken at a conference organised by Chartered Institute of Arbitrators and CCLS, Queen Mary and Westfield College, on the previous day.

Finally, the council expressed its congratulations to Jane Hannah, Human Resources Manager, and Andrew Bradley, Communications Manager, who had both passed their professional examinations recently.

6 Member Board Report

Rosaleen Hubbard said that the Member Board had not met since the last Council meeting and her only issue was that one member company had asked that the Board discuss the position in relation to cases involving rogue diallers. The Ombudsman described the approach being taken by Otelo in the consideration of the dialler issue. Without pre-judging the particular circumstances of individual cases, she was mindful of the following aspects, among others:-

- were customers fully informed about the dialler problem;
- was anti-virus software available to cure the problem;
- was there undue harassment, eg by the company's debt collection agent, while the disputed bill was suspended;
- was the customer warned of excessive spend rate, at the earliest feasible opportunity?

Members asked whether there was a coordinated campaign about diallers to inform customers and to ensure, as far as possible, that the damage to them is minimised. The Ombudsman reported that Otelo was playing its part, being involved with the regulators' (ICSTIS and Ofcom) discussions with DTI and industry representatives in understanding the issue and developing potential solutions.

7 Member Update

The Ombudsman reported that a further six members had joined the Service since the last meeting – making 88 members.

The Council's attention was drawn to the fact that there were about 450 public communications providers (PCPs). Otelo and CISAS members appeared to total about 173, on that basis about 275 PCPs were not members of either scheme. The question whether Otelo should write to Ofcom about this was discussed. Members acknowledged the disparity between the assumed numbers of PCPs and those companies that had joined Otelo and CISAS but considered that these firms were almost certainly very small and Ofcom would become aware of them in the course of their regulatory activities, if it was not already. However, the Ombudsman was asked to draft a letter to Ofcom for the Chairman to consider.

Action point 2: Ombudsman to draft a letter to Ofcom.

8 CISAS' First Report

The Ombudsman noted that CISAS' first Report had been issued. It followed a similar structure to her own report, though lacking any financial information about the scheme. Some discussion of the report and contents followed, focusing in particular on areas where there appeared to be different approaches from Otelo's. Members advocated bilateral contact between the organisations in order to explore these apparent differences so that there was a clearer view as to whether there were areas which needed to be further explored to ensure equivalence between the schemes for consumers.

9 Reception & Presentation of Ombudsman's Annual Report

The Ombudsman reported that Lord McKintosh, the DCMS Minister of State would give the Government view at the event and he would be followed by Lord Currie, Chairman of Ofcom, Peter Erskine, CEO of O₂, herself and Helen Southworth MP for Warrington South, our sponsor for the evening. Our Chairman, Peter Holland, would chair the meeting. She noted that we were fortunate to have Lord McKintosh as a speaker as he had been the Minister who piloted the Communications Act through the House of Lords and was, therefore, thoroughly familiar with the industry and ADR requirements.

10 Appointment of New Council Member

The Chairman tabled the draft advertisement for the post, noting that the emphasis on this occasion was for a candidate with business experience. Members suggested that the advert text should be succinct, with the detailed information in an Application Pack. Members recommended that the advert would most effectively be placed in the Sunday Times. It was also important to inform Gordon Adams, BIOA Secretary, of its issue.

Action point 3: The Executive to issue the advertisement, following amendments by the Chairman.

11 Change to Article 23 – Delegation of Council Powers

Richard Brown reported that a proposed text for the amendment had been issued after discussions and was the subject of the EGM, scheduled to follow the Council Meeting.

12 Date of December Meeting

It was agreed that the December meeting of the Council would be on Wednesday 15 December at 9.30am, preceded by a dinner on 14 December for the Council and followed by an in-house lunch with the staff.

13 Date of Next Meeting

The next Council meeting will be held on 19 October in the Otelo offices in Warrington and the main agenda items were to be:-

- a review of case-processing and the backlog reduction strategy;
- consideration of the Customer Satisfaction Survey;
- a presentation by Keith Lawton on broadband.

14 Any Other Business

Margaret Doyle noted that DTI had issued a consultation on Expanding Competitive Markets and it included a section relating to the potential extension of the requirement for consumer access to ADR services into general utility areas. The deadline for responses was 31 October. The Ombudsman would draft a response for discussion.

Action Point 4: the Ombudsman to draft a response to the DTI Consultation.

Members noted the absence of a Finance Report in September. Richard Brown said that the accounts were not complete for August, as the Council meeting had been held too early in the month to permit their closure in sufficient time for a report to be compiled. However, he was not aware of any factor that deviated from the budget or information provided to the Council during August.