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Ms Naomi Standing  
Statement of Strategic Priorities Consultation  
Digital Infrastructure Directorate  
Department for Digital, Culture, Media and Sport  
1C/09 100 Parliament Street  
SW1A 2BQ

27 March 2019

Dear Naomi,

**Response from Ombudsman Services to consultation issued by the Department for Digital, Culture, Media and Sport (DCMS) Statement of Strategic Priorities for telecommunications, the management of radio spectrum and postal services**

I write in response to the consultation on the strategic priorities for telecommunications, the management of radio spectrum and postal services.

**About Ombudsman Services:**

Ombudsman Services is a not-for-profit private limited company established in 2002 which runs a range of discrete national ombudsman schemes across different sectors including communications and energy. Each scheme is funded by the companies under our jurisdiction and our service is free to consumers. In 2017 we received 172,865 initial contacts from complainants and resolved 92,110 complaints.

We are:

- to our consumers, the people they can turn to for impartial advice and solution that's fair;
- to our partners, the people they look to for knowledgeable and insightful ways to help them reduce complaints by enabling them to make the changes they need to deliver better customer services;
- to our regulators, champions in protecting rights as well as partners in information sharing, we share our analysis so that regulators and business partners can make improvements; and
- to our people, here to enable them to deliver clarity to consumers and partners through meaningful work.

**General comments:**

We welcome the proposals listed in this statement of strategic priorities. We are pleased to see so many similarities in the Government's strategic priorities and desired policy outcomes which align with our own mission to end consumer detriment.



This approach enables data, insights and the consumer voice to be used in a proactive way to consciously design with consumers in mind, when looking at how sectors work and indeed how different sectors can work better together for consumers. Bringing together different stakeholders in this way enables a more 360-degree approach to improve things for consumers and build trust and confidence. This may also help to tackle some of the challenges that, as the NAO report on Regulating to protect consumers highlighted, regulators face in terms of defining outcomes for consumers, managing trade offs between conflicting priorities and better measuring their performance.

#### **Answers to the specific questions raised:**

##### **Q1: Do you agree with the Government's strategic priorities and desired policy outcomes for telecommunications, the management of radio spectrum and postal services?**

Yes. The four strategic priority areas outline in the consultation paper are right. Our response will focus on the first three priorities - putting in place a world-class digital infrastructure, furthering the interest of telecoms consumers, and putting in place a secure and resilient telecoms infrastructure.

##### World-class digital infrastructure:

We agree with the ambition the Government has set here and the approach to meet the challenges set out in the Government's Future Telecoms Infrastructure Review. It will be important to meet the challenges set out by designing the changes around consumers. This will help to build trust and confidence in consumers to use the digital infrastructure to maximum effect.

The level of change and infrastructure development required will mean that consumers will be affected and may experience problems, loss of connectivity at times and disruption. It will be important for the whole regulatory structure to work together to ensure that additional consumer detriment is minimised as much as possible and issues are resolved quickly. This is where an ombudsman scheme working on the basis that prevention is better than cure can help by:

- working to resolve individual complaints raised by consumers;
- using complaint data to build insights to help companies get things right first time; and
- working with regulators and other key stakeholders to help inform policy and thinking and build trust and confidence in the sector to attract sustainable investment.

##### Furthering the interests of telecoms consumers

Ombudsman Services wants to see a telecoms market that works for consumers and offers a high level of customer service. It should improve the customer experience by making interactions easier, ensuring access to high quality telecoms services, including and especially for those who find themselves in vulnerable circumstances. We also think that there should be a bigger focus on small and medium sized (SMEs) business customers. With many micro-businesses and SMEs having similar characteristics to individual domestic consumers, we think micro businesses and SMEs should have similar protections to enable them to participate fully within the digital society and contribute successfully to the economy. In the financial sector the Financial Conduct Authority has extended the definition of SMEs that can gain access to the Financial Ombudsman Service if they have a complaint. We think this approach should be considered in other sectors such as telecoms, energy and water.

Ombudsman Services supports the approach to address harmful business practices. We support measures that allow consumers fairer and transparent pricing. We responded to the Ofcom consultation on helping consumers getting better deals and believe action is required to prevent consumers continuing to pay for a handset they have already paid off at the end of bundled contracts. Clear, transparent pricing would allow consumers to make more informed decisions.

We believe building trust with consumers today is essential if consumers are going to trust the changes and innovations of tomorrow, for example, sharing of their data, enhanced switching, using third parties to help engage in markets and the increased use of digital services. We believe the best way to build trust with consumers is for the whole regulatory landscape within a sector to work together to share data and insights to help drive improvements. Ombudsman Services collects complaint data and believes that this can be used, alongside other data sources, to