

United Kingdom Strengthened Consumer Safeguards in Fixed-line Telecoms

According to an Ofcom decision, the UK regulatory authority, the existing voluntary guidelines on sales and marketing became mandatory to increase consumer protection from mis-selling in fixed-line telecoms services. Therefore, all fixed-line service providers will be required to draw up Codes of Practice consistent with the guidelines and comply with them. “The term mis-selling describes a range of sales and marketing activities which are not fully transparent and / or are intended to mislead and therefore work against consumers' interests. In particular mis-selling includes so-called slamming, where consumers are switched from one supplier to another without their knowledge and consent”, specifies Ofcom.

In order to further the interests of consumers in relevant markets with particular regard to choice, price, quality of service and value for money, Ofcom is empowered to take action against companies who are found to engage in irresponsible sales and marketing practices. Practically, Ofcom will investigate allegations of mis-selling on a case by case basis, in line with its sales and marketing Code of Practice. Ofcom notes that “[its] enforcement powers will include securing written undertakings from companies about their sales and marketing practices, and ultimately the power to fine companies up to 10 per cent of turnover”. The obligation of compliance should last for two years, and after revision, it could be re-instated if there is evidence to support a continuing need for additional consumer protection.

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