

The logo for Ombudsman Services, featuring a stylized 'O' composed of four colored segments: blue, green, purple, and orange.

# Ombudsman Services

Good for consumers – Good for business

Annual Activity  
Report for:  
The Consumer  
Ombudsman

July 2016 – June 2017

## **The Consumer Ombudsman**

In June 2015, The Consumer Ombudsman (TCO) was approved by the Chartered Institute of Trading Standards (CTSI) to provide alternative dispute resolution services under the Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015 (the Regulations).

As part of that approval, under Schedule 5 of the Regulations, TCO is required to produce an annual activity report and a bi-annual activity report that contains the information below:

### **The number of domestic disputes and cross-border disputes the ADR entity has received**

TCO received 7915 disputes during the reporting period. A dispute is defined as, a request from a complainant notifying TCO of an unresolved complaint for investigation.

The cases received are all currently domestic disputes with no cross border disputes recorded.

## The types of complaints to which the domestic disputes and cross-border disputes relate

The following tables set out the types of domestic disputes that were referred to TCO within the reporting period that came within the scope of what TCO can deal with.

Complaint category	Volume
Claims Process- Product Replacement	80
Customer Service- Poor Customer Service	35
Faulty goods or service	38
Repair- Poor Service	27
Claims Process- Claim Rejected	22
Repair- Damage	10
Repair- Delay over 6 days	10
Sales Process- Miss-sell	9
Dispute- Plan Set Up	9
Dispute- Auto Renewal	8
Sales Process- Misleading Information	6
Customer Service- Process Failure	6
Poor customer service	5
Repair- Quality	4
Good or service not delivered	4
Customer Data- Customer Details	3
Dispute- Premium	3
Received wrong item	3
Incorrect bill	2
Repair- Delay up to 5 days	2
Customer Data- Payment Details	1
Other	52
<b>Grand total</b>	<b>339</b>

**A description of any systematic or significant problems that occur frequently and lead to disputes between consumers and traders of which the ADR entity has become aware due to its operations as an ADR entity and any suggested recommendations to address them**

TCO has seen instances of traders mis-understanding cancellation rights, more specifically in meeting the requirements of the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. These traders have typically not engaged with ADR prior to this. Issues include the lack of appropriate pre-contract information and incorrectly identifying the start and end date for these cancellation rights. Disputes generally arise when the customer wants to cancel a contract, and the trader does not consider they have the right to do so.

Complaints concerning repair plans represent a large proportion of TCO cases. Disputes between consumers and traders frequently relate to offers made to replace appliances due to an original that is beyond economical repair. There is often a mismatch between the expectations of the customer and that which the plan entitles them to. TCO has seen a number of cases of genuine dispute regarding technical specification of replacement appliances. In these cases there is a clear mismatch between the technical specification of the original appliance and the replacement offered. These are avoidable disputes. Such disputes may be reduced or resolved more easily if there were greater transparency about what represents a feature or a specification. However, given the vast range of appliances potentially covered by these plans, it may be difficult to identify an adequate definition.

**Any recommendations the ADR entity may have as to how the problems referred to in paragraph (c) could be avoided or resolved in future, in order to raise traders' standards and to facilitate the exchange of information and best practices**

Traders should ensure they are familiar with the requirements concerning cancellation rights, and provide accurate information to consumers.

Traders should ensure that terms and conditions are as clear and transparent as possible.

Traders should ensure that their front line staff are adequately trained to understand and inform consumers with respect to applicable terms and policies. This will work to prevent disputes further down the line when a claim is made that is outside of these terms and conditions.

### **The number of disputes which the ADR entity has refused to deal with and upon what grounds**

TCO received 7915 complaints during the reporting period. Of these, 339 complaints were accepted and 7578 complaints were rejected.

7504 complaints were about companies that do not participate in TCO. These complaints were rejected for this reason.

74 cases were rejected for the following reasons:

Reason for refusal	Number
The consumer has not submitted a complaint to you within the time specified by you for dealing with complaints, provided that such time period is not less than 12 months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.	3
Prior to submitting the complaint to you, the consumer has not attempted to contact the trader concerned in order to discuss the consumer's complaint and sought, as a first step, to resolve the matter directly with the trader	7
Operational reasons	64

**The percentage of alternative dispute resolution procedures which were discontinued for operational reasons and, if known, the reasons for the discontinuation**

The following represent the operational reasons for discontinuing our consideration of a complaint:

Reason for refusal	Percent
The consumer submitted an incomplete application to OS which could not be taken forward owing to the lack of information	62.5%
The consumer contract was entered into prior to 1 January 2015, and therefore outside of our terms of reference	25%
Complaint withdrawn by consumer	4.7%
Duplicate complaint	4.7%
Company changed ADR provider before escalating to us	1.55%
Complaint fell into the statutory terms of reference of the Financial Ombudsman Service (FOS) and was therefore referred to the FOS	1.55%

**The average time taken to resolve domestic disputes and cross-border disputes**

From the data available, average time from case file received to proposal is 40 days.

**The rate of compliance, if known, with the outcomes of the alternative dispute resolution procedures**

Data to confirm the rate of compliance is not currently available.

**The co-operation if any, of the ADR entity within any network of ADR entities which facilitates the resolution of cross-border disputes**

TCO does not co-operate with other ADR entities in the way described here.

**Where the ADR entity provides training to its ADR officials, details of the training it provides**

In the reporting period training has been provided to TCO ADR officials on investigation techniques.

**An assessment of the effectiveness of an ADR procedure offered by the ADR entity and of possible ways of improving its performance**

Disputes handled by TCO are resolved via a two-stage adjudication procedure. In the reporting period 339 disputes were handled using this procedure. On average it took 40 days to handle a dispute through this procedure, based on the information available.

The ADR regulations stipulate that TCO must notify the parties of the outcome of the ADR procedure within a period of 90 days from the date on which the complete complaint file has been received. The adjudication procedure operated by TCO has proven effective in handling disputes within this timeframe.

TCO is constantly looking to refine and improve its processes to achieve greater efficiency.