

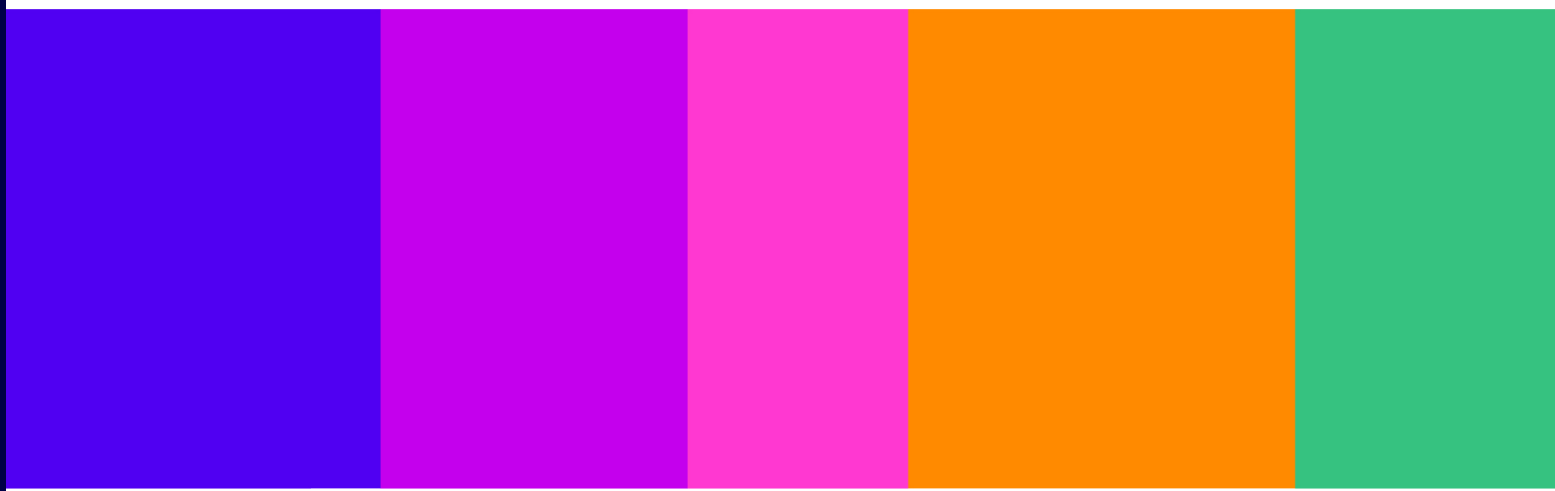
Review of ADR in the telecoms sector

Statement on Ofcom's review of
Alternative Dispute Resolution (ADR)
procedures established under the
Communications Act 2003

Non-Confidential version

Statement

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1. Overview

- 1.1 **This document is the conclusion of Ofcom’s review of ADR services. It sets out Ofcom’s decision to reduce the timeframe consumers must wait to access ADR, from 8 weeks to 6 weeks. It also sets out Ofcom’s decision to re-approve the two ADR schemes, Communication Ombudsman and the Communications and Internet Services Adjudication Scheme, under the Communications Act.**
- 1.2 Alternative Dispute Resolution (‘ADR’) schemes are independent bodies that carry out an impartial assessment of unresolved complaints between a customer and their communications provider (‘provider’). In telecoms, customer complaints can cover a range of issues, from billing and customer service to technical faults. ADR plays an important role in ensuring complaints handling is fair and effective when problems are not quickly resolved, which protects consumers and empowers them in their relationship with providers.
- 1.3 Under the Communications Act 2003 (‘the Act’), certain providers are required to be members of an Ofcom-approved ADR scheme. At present, providers must inform customers of their rights to access ADR if a complaint has not been resolved to their satisfaction after 8 weeks or before then, if the complaint reaches deadlock.
- 1.4 We currently approve two ADR schemes (‘the schemes’) under the Act: Communications Ombudsman (‘CO’, previously known as Ombudsman Services) and the Communications and Internet Services Adjudication Scheme (‘CISAS’). We are required to keep our approvals of these schemes under review.
- 1.5 In November 2023, we launched a review of the operation of ADR in the telecoms sector and published a call for input. Our review has focused on three areas: consumers’ ability to access ADR, the consumer experience of the schemes, and re-approval of the schemes under the Act. To inform our assessment, we commissioned research to understand the consumer experience of the ADR process. We also commissioned a review of a sample of actual ADR cases to provide insight into the consumer experience of each scheme. We published these alongside our proposals in January 2025 (‘the January Consultation’).

What we have decided – in brief

Consumer access to ADR

Currently, providers are required to issue ADR letters, informing consumers of their right to access ADR, if a complaint has not been resolved to the consumer’s satisfaction 8 weeks after it was first raised. This rule has been in place since 2009, when we reduced the threshold for consumers to access ADR from 12 weeks to 8 weeks. Our review has assessed whether the current timeframe remains effective in today’s market, particularly given changes in use of digital communications services and how complaints are dealt with.

We collected data from industry for a two-year period (1 January 2022 to 1 January 2024) and found that the vast majority of complaints (94%) were resolved within 6 weeks. However, while providers do well in resolving the very large majority of complaints quickly, they do less well in resolving the remaining complaints prior to the 8 week threshold. For the significant number of consumers (c.700,000) whose complaint had not been resolved or

referred to ADR within 6 weeks, a relatively small proportion (c.19%) were able to get their issue resolved or were referred to ADR by the end of the current 8 week deadline.

Having considered stakeholder responses to the January Consultation we continue to consider that, for the material number of consumers whose complaints remain open at 6 weeks, the likelihood of receiving a resolution or being referred to ADR ahead of the current 8 week threshold is low. Therefore, we have decided to reduce the timeframe before consumers can access ADR from 8 weeks to 6 weeks. This change is necessary to ensure that the ADR regime remains effective and gives consumers prompt access to dispute resolution.

Providers will have nine months to implement this change. Further detail on our decision and associated implementation period is set out in Section 3 of this document and the proposed rule changes are set out in at Annex A1.

Re-approval of CO and CISAS

We are re-approving both CO and CISAS under the assessment criteria set out under the Act. We consider that the consumer research and case review, alongside information we have collected directly from the schemes and feedback in consultation responses, demonstrate they are working well and continue to meet the statutory assessment criteria. Our decision to re-approve the schemes is set out in Section 4 of this document.

While not a condition of re-approval, we previously identified areas for improvement for the schemes. In Section 4 we set out the changes we have agreed with the schemes, to improve the consumer experience and outcomes with them, and when we expect the changes to be implemented.

Ofcom's oversight of the schemes

Ofcom monitors the schemes' operational performance primarily through a set of Key Performance Indicators (KPIs) we set for the schemes, which we publish on our website on a quarterly basis. Setting effective KPIs helps build consumer confidence in the ADR process. Our assessment of the evidence indicated that, while the KPIs broadly cover the right areas, some of the KPIs are not set at the right level and should be increased.

Having considered consultation responses, we still believe it is appropriate to increase the current targets. Both schemes have consistently met and exceeded the existing KPIs. These changes will allow us to focus in more detail on performance and identify potential problems should they arise. The changes should also help the schemes to focus their resources most effectively on the areas that require improvement. The schemes will have three months to implement the changes required to achieve and report against the new KPI levels.

Our assessment and decision to amend the KPIs is set out in Section 5 of this document.

Next steps

- 1.6 The changes to General Condition C4 regarding consumer access to ADR will come into effect nine months after the publication of this Statement, on 8 April 2026. This will only apply to complaints raised on this date onwards.
- 1.7 We expect the schemes will start reporting on the new KPI target levels in Q4 2025, three months after the publication of this Statement.

- 1.8 The overview section in this document is a simplified high-level summary only. The decisions we have made and our reasoning are set out in the full document.

2. Background, regulatory framework and scope of this review

- 2.1 Fair and effective complaints handling processes protect consumers and empower them in their relationship with communications providers ('providers'). Alternate Dispute Resolution ('ADR') schemes play an important role in complaints handling. In the event that a consumer or small business cannot resolve an issue with their provider, they can refer their complaint to a scheme.¹
- 2.2 ADR schemes are independent bodies that carry out an impartial assessment on complaints between a customer and a provider, and reach a decision based on the information submitted by both parties. Schemes can improve the outcome for customers whose complaints might otherwise remain unresolved or be unduly delayed.² Schemes also provide incentives to providers to improve their complaints handling processes and resolve complaints quickly, due to the costs incurred by the provider when a case is taken to a scheme.
- 2.3 ADR schemes are well-established within the telecoms sector, and in other sectors including the financial services and energy sectors. The outcome of a case being raised by a consumer to a scheme, and which finds fault with the provider, may include a letter of apology, financial compensation and/or direct action being taken by the provider to resolve the issue.
- 2.4 A dispute resolution process that is working well builds trust and confidence in the communications networks and services that people use. This supports our strategic objective to support access to fast and reliable connections and services.
- 2.5 Ofcom has a duty under the Communications Act 2003 ('the Act') to set General Conditions of Entitlement ('GCs'), as it considers appropriate, relating to the handling of complaints made to providers by domestic and small business customers.³ Under our rules, we require specified providers to be members of an Ofcom-approved scheme.⁴ These providers must

¹ We use the term consumer(s) throughout this Statement to refer to both residential and small business consumers. Small business consumers are businesses with up to 10 employees (whether employed or volunteers).

² More information about how to log a complaint with a scheme and how to identify which scheme a particular provider belongs to can be found on the [Ofcom website](#).

³ Section 52 of the Act.

⁴ Communications providers offering services to people, small businesses (up to 10 employees) and not-for-profit organisations (where up to 10 individuals work, not including volunteers) must be members of an Ofcom-approved Alternative Dispute Resolution (ADR) scheme.

inform customers of their rights to access ADR if a complaint has not been resolved to the customer's satisfaction after 8 weeks, or before then, if the complaint reaches deadlock.⁵

- 2.6 We have previously approved two ADR schemes ('the schemes') for the telecoms sector, based on certain criteria specified in the Act: Communication Ombudsman ('CO') and the Communication & Internet Services Adjudication Scheme ('CISAS').⁶ Providers are free to choose which of the approved schemes they are a member of. Any complaints made to the provider that are taken to ADR will be handled by the scheme that the provider belongs to.
- 2.7 In this review, we assessed the rules we have set for providers in regard to facilitating access to ADR. We also considered whether these rules are working as they should for consumers, including whether any changes are needed.
- 2.8 We assessed our current approval of the two schemes in respect of the criteria set out in the Act. In brief, these criteria are as follows: accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability and non-discriminatory. In addition, we considered the criteria of consistency as part of the Act, to assess whether the different approaches adopted by schemes are leading to inconsistencies between both schemes. This is important to consider where there is more than one approved scheme.

Current regulatory framework

- 2.9 We set out below a summary of the statutory framework and our associated regulatory rules on ADR procedures for consumer complaints. This summary is not an exhaustive description of the legal regime currently in force; readers should refer to the specific statutory provisions and regulatory conditions found in the Act and GCs for greater detail.⁷

Ofcom's general duties

- 2.10 Our principal duty in carrying out our functions is to further the interests of citizens in relation to communications matters and consumers in relevant markets, where appropriate by promoting competition (section 3(1) of the Act).
- 2.11 In performing these duties, we are required to have regard to the principles under which regulatory activities should be transparent, accountable, proportionate, consistent, targeted only at cases in which action is needed; and any other principles appearing to us to represent the best regulatory practice (section 3(3) of the Act).
- 2.12 Section 3(4) of the Act notes that, in performing the duties under section 3(1), we must also have regard, among other things, to the desirability of promoting and facilitating the development and the use of effective forms of self-regulation; and the opinions of consumers in relevant markets and of members of the public generally.

⁵ Deadlock is reached if the provider has told the complainant the outcome of its investigation into the complaint, the complainant has told the provider that they consider the proposed outcome does not resolve the complaint to their satisfaction, and the provider does not intend to take additional steps to resolve the complaint that would produce a different outcome.

⁶ CO was previously known as Ombudsman Services: Communications ('OS') until a change in name in July 2023.

⁷ Ofcom, 2024. [General Conditions of Entitlement: Unofficial Consolidated Version](#).

- 2.13 Under section 3(5) of the Act, in furthering the interests of consumers, we must have regard, in particular, to the interests of those consumers in respect of choice, price, quality of service and value for money.
- 2.14 Section 4 of the Act requires that we act in accordance with the six requirements set out in that section, including a requirement to promote the interests of all members of the public in the United Kingdom.
- 2.15 Section 108 of the Deregulation Act 2015 sets out Ofcom's duty to have regard to the desirability of promoting economic growth when exercising its regulatory functions. In order to consider the promotion of economic growth, Ofcom will exercise its regulatory functions in a way that ensures that: a) regulatory action is taken only when it is needed; and b) any action taken is proportionate. The government's statutory guidance on this duty recognises drivers of economic growth to include innovation and competition.
- 2.16 In accordance with section 2B of the Act, we must also have regard to the UK Government's Statement of Strategic Priorities (SSP) for telecommunications, management of radio spectrum and postal services, which includes the Government's commitment to safeguarding the interests of telecoms consumers, including the vulnerable and less engaged, by ensuring they are better informed and protected.⁸

Ofcom's powers and duties in relation to GCs

- 2.17 We have the general power under section 45 of the Act to set GCs imposed on providers who provide an electronic communications network and/or electronic communications services in the United Kingdom.
- 2.18 Under section 52 of the Act, we have a duty to set GCs that we think are appropriate for securing that public providers establish and maintain procedures with respect to complaints handling and the resolution of disputes between providers and their domestic and small business customers, including the provision of remedies and redress in respect of such disputes. When setting these GCs, we must secure (so far as we consider appropriate) that complaints handling and dispute resolution procedures are easy to use, transparent, non-discriminatory and effective; and that domestic and small business customers can access them free of charge (section 52(3) of the Act).
- 2.19 In line with this duty, we have set GCs for complaints handling and dispute resolution,⁹ which apply to all providers who provide public electronic communication services to consumers, microenterprise or small enterprise customers or not-for-profits.¹⁰ These include requiring providers to be a member of an approved scheme and to abide by any final decisions of the schemes (GC C4.3(a) and (b)). Providers must also provide certain information in bills on the rights of customers to take unresolved complaints to a scheme (GC C4.3(d)).
- 2.20 GC C4.2 requires providers to have, and comply with, procedures for complaints handling that conform with section 1 of the [Ofcom approved complaints code \('the Code'\)](#). Section 1 of the Code sets out that providers must immediately issue an ADR letter to the

⁸ Department for Digital, Culture, Media & Sport, 2019. [Statement of Strategic Priorities](#).

⁹ These GCs are set out in condition C4.

¹⁰ These terms are defined in the [General Conditions of Entitlement](#).

complainant when the complaint reaches deadlock¹¹ or remains unresolved, at present, after 8 weeks.¹² It also sets out requirements in relation to ADR letters. For example, that it must be written in plain English, issued in a durable medium and provide contact details of the scheme.¹³

Ofcom's role in regulating schemes

- 2.21 Section 54 of the Act sets out the criteria that we need to take into account when approving schemes. These include being satisfied that the arrangements are administered by a person who is independent of both Ofcom and providers and that the dispute procedures are easy to use, transparent, non-discriminatory and effective. The arrangements must also ensure that disputes are effectively investigated, confer power to make awards of appropriate compensation and enable these awards to be properly enforced.¹⁴ The Act allows us to approve dispute procedures subject to such conditions (including conditions as to the provision of information to Ofcom) as we may think fit.¹⁵
- 2.22 The Act requires us to keep approved schemes under review.¹⁶ It also makes provision for us to modify conditions of approval or withdraw approval at any time.¹⁷ In doing so, and in approving, we must have regard to the need to secure that: customers are able readily to comprehend dispute procedures; there is consistency between the different approved procedures; and the number of approved procedures is kept to a minimum.¹⁸
- 2.23 In addition, section 49 of the Act sets out that we must not modify or withdraw an approval that affects the operation of a GC without being satisfied that to do so does not discriminate unduly and is proportionate and transparent in relation to what it is intended to achieve.
- 2.24 Taking account of section 52(3) and 54(2) of the Act, we have devised approval criteria to assess whether or not we should re-approve the schemes in our formal reviews.¹⁹ These criteria are: **accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability and non-discriminatory**. In addition to these criteria, we also assess whether there is **consistency** between the two schemes in line with section 54(7)(b) of the Act.
- 2.25 We monitor each scheme's performance on an ongoing basis, including against Key Performance Indicators ('KPIs'), which are set out and monitored by Ofcom. We publish KPIs on a quarterly basis to provide further transparency on the schemes' performance.²⁰

¹¹ Paragraph 11 of the Code.

¹² Paragraph 12 of the Code.

¹³ Paragraph 13 of the Code.

¹⁴ Section 54(2) of the Act.

¹⁵ Section 54(3) of the Act.

¹⁶ Section 54(4) of the Act.

¹⁷ Section 54(5) of the Act.

¹⁸ Section 54(6-7) of the Act.

¹⁹ These criteria were also used in our previous two reviews of the schemes in 2011 and 2017.

²⁰ The KPIs we set and the schemes' performance against them can be found on our [website](#).

The 2015 ADR Regulations

- 2.26 In 2015, the Alternative Disputes Resolution for Consumer Disputes (Competent Authorities and Information) Regulations ('the ADR Regulations') were introduced. These regulations establish competent authorities to certify schemes and set minimum standards that scheme applicants must meet to achieve certification.
- 2.27 For the purposes of these regulations, Ofcom is the competent authority for the UK communications and postal sectors, and it has approved schemes under these regulations. Every two years, we must assess whether the schemes we approved still meet the requirements under the ADR Regulations.²¹ In April 2024, we found both CO and CISAS continued to meet these requirements alongside POSTRS and CDRL for postal services and 'non-regulated' complaints, respectively.²²
- 2.28 The Digital Markets, Competition and Consumers Act 2024 ('the DMCC Act'), contains provisions revoking the 2015 ADR Regulations and introduced a new regime for alternative dispute resolution. The specific date on which the changes to the ADR regime will come into force is yet to be confirmed.²³ Under the new regime, entities will be prohibited from acting as ADR providers unless they fall under certain categories, including where they are "exempt" ADR providers by virtue of being approved under section 54 of the Act (such as CO and CISAS). Once the ADR changes under the DMCC Act come into force, we will solely rely on our powers under the Act to oversee and approve schemes. In this statement, we have carried out a review under the Act.

Our previous reviews

- 2.29 We periodically undertake formal reviews of the schemes, as required by the Act. These formal reviews help ensure, among other things, that the schemes continue to be accessible, fair and efficient services to consumers, and therefore can continue to be approved schemes.
- 2.30 We last carried out a formal review under the Act of both schemes in 2017 (the 2017 ADR Review), where we published a Call for Inputs and commissioned a report by Mott MacDonald to undertake a review of a sample of cases.²⁴ These were used to help assess the schemes against the established criteria (see paragraph 2.24). The review re-approved Ombudsman Services and CISAS, alongside recommendations for the schemes to publish more complaints data on their websites and review and monitor customer satisfaction data.²⁵
- 2.31 Separately, we also reviewed our rules related to complaints handling and access to ADR in 2016/2017, as part of a review of our GCs. We introduced a new code that placed further requirements on providers to ensure consumer complaints are resolved in an effective and timely manner.²⁶ The changes included strengthened provisions on the transparency of the

²¹ ADR Regulations 2015, regulation 11(3).

²² For more information on the other schemes, please visit [POSTRS' website](#) and [CDRL's website](#).

²³ The Government is yet to set the date for commencement for this revocation.

²⁴ Ofcom, 2017. [Review of Ofcom's approval of Alternative Dispute Resolution Schemes](#).

²⁵ CO was previously known as Ombudsman Services until its name change in July 2023.

²⁶ [Annex to C4, Section 1, of the GCs](#).

complaints process, and more effective signposting of access to ADR when complaints become deadlocked, among other things.²⁷

- 2.32 Prior to the 2017 ADR review, we had carried out a review in 2012 ('the 2012 ADR review'), which was informed by a report by Mott MacDonald, on the quality of decision-making and consistency between schemes. Both schemes were approved on the condition that the schemes would adopt a set of decision-making principles and compensation guidelines to ensure greater consistency across the schemes.²⁸
- 2.33 We reviewed our rules around access to ADR in 2008/9, where we decided to reduce the time consumers had to wait before they can access ADR from 12 weeks to 8 weeks. This change was proposed on the basis that the majority of complaints that remained open after 8 weeks were not resolved within the additional 4 weeks, and therefore shortening the period would be a proportionate response, which would reduce the harm of raising a complaint and produce a better outcome for consumers.

Alternative Dispute Resolution in telecoms

- 2.34 ADR plays an important role in complaint resolution for consumers within telecoms. When a complaint cannot be resolved by a provider, or is taking longer than it should, ADR offers consumers an alternative option to resolve their complaint without having to go to court, which can be expensive and time consuming. If there are barriers in place to ADR, or accessing ADR takes longer than it should, consumers may experience significant harm on account of their complaint remaining unresolved or being unduly delayed.
- 2.35 ADR can also be beneficial for providers. For instance, providers may use the insights from the scheme to inform and improve their complaints handling processes, which may work to drive down the overall numbers of complaints.
- 2.36 Within the telecoms sector, consumers may take a range of complaints to ADR. These include billing issues, customer service complaints, technical faults and loss of service, mis-selling, contract issues, equipment and security issues. Some complaints are out of scope of the schemes, and therefore the schemes are unable to assist consumers in resolving these complaints, such as those relating to the price of services.
- 2.37 Before putting forward a dispute to a scheme, a customer must have raised a complaint with their provider first. After which, the complaint must remain unresolved for at least 8 weeks, or the customer must have received a deadlock letter. A deadlock letter sets out that the provider has been unable to resolve the complaint to the customer's satisfaction and it does not intend to take any more steps to try and resolve the complaint.
- 2.38 Therefore, whether due to the complaint being unresolved after 8 weeks or a deadlock letter being issued in the interim, the customer then has the option of taking their case to ADR. Even while being assessed under the ADR process, the provider can work to resolve the complaint, by reaching a settlement, which may prove more cost-effective for the provider. Alternatively, the customer may decide to pursue their dispute through the courts, but this can be expensive and time consuming.

²⁷ Ofcom, 2017. [Review of the General Conditions of Entitlement: Statement and Consultation](#).

²⁸ Ofcom, 2012. [Review of Alternative Dispute Resolution Schemes](#).

- 2.39 The schemes decide if a case is to be accepted or not, in line with their rules, with the opportunity for providers to appeal these decisions. For example, a scheme may not accept a dispute if it is considered to be frivolous or vexatious, or because the complainant is not a customer of the provider. In the instance that a scheme decides that a dispute falls out of scope of ADR, we encourage schemes to signpost the consumer to the appropriate organisation to handle the issue.²⁹ In the period between July 2023 to June 2024, CO accepted a total of 33,000 cases³⁰ and CISAS accepted a total of 5,006 cases.³¹
- 2.40 As noted above, after an application is made to a scheme, the provider can agree a settlement with the customer without the scheme conducting a full investigation. If the customer rejects the settlement offer, or a settlement is not offered, the scheme will review evidence submitted by both the provider and customer and come to a decision. The scheme is independent and therefore may rule in favour of either the customer or the provider.
- 2.41 The consumer can choose to accept or reject this decision. Under the rules of CO, both consumers and providers are able to appeal a decision if there is new evidence that has surfaced after the initial case was submitted that makes a material difference to the decision reached, or if a factual error was made during the initial decision which makes a material difference to the decision reached.³² This is not part of CISAS' processes and the decision that the scheme comes to after an investigation cannot be appealed.
- 2.42 If the scheme rules in favour of the customer, it may award the consumer a set payment (payable by the provider), issue a set of specific actions to be taken by the provider (such as issuing an apology or fixing an issue the customer has faced) or a combination of these. The aim of any remedy imposed by the scheme is to return the consumer to the position they were in before the complaint. It should be noted that the scheme can compel the provider to issue different types of financial award, such as compensation or distress and inconvenience payments.
- 2.43 In cases where a scheme compels a provider to issue a remedy, providers are required by our GCs to implement this within the specified time period (GC C4.3(b)).

Purpose, scope and approach to the review

Purpose of this review

- 2.44 We are carrying out a review of the schemes in accordance with their obligations under section 54 of the Act.³³ This review assesses whether the schemes we have previously approved are continuing to meet the approval criteria set out in the Act.
- 2.45 Broadly, our review of the schemes aims to assess three areas:

²⁹ CISAS, 2024. [Communications & Internet Services Adjudication Scheme \(CISAS\) Scheme Rules](#). [CO's Terms of Reference](#). CO. [Terms of reference – Communications sector](#).

³⁰ CO, 2024. [Annual Activity Report, July 2023 – June 2024](#).

³¹ CISAS, 2024. [ADR Entity Reporting – Annual Report, 1 July 2023 – 30 June 2024](#).

³² [Our process | Communications Ombudsman \(commsombudsman.org\)](#) [accessed 7 January 2025].

³³ The Act does not specify how regularly Ofcom must review the schemes. The last review occurred in 2017. Ofcom, 2017. [Review of Ofcom's approval of Alternative Dispute Resolution Schemes](#).

- whether consumers are receiving accessible, fair and consistent outcomes from the approved schemes in the telecoms sector;
- whether the current schemes continue to meet the approval criteria set out in the Act;³⁴ and
- the consistency between the two schemes in line with section 54(7)(b) of the Act.

2.46 We are also taking the opportunity to review two further areas related to ADR:

- the rules we set for providers in enabling their customers to access ADR; and
- our oversight of the scheme's performance.

Scope of this review

2.47 In November 2023, we published a Call for Inputs ('2023 CFI'), seeking views on the planned scope of our review.³⁵ Specifically, we sought views on how we intended to consider consumer access to ADR, the consumer experience of the ADR process and Ofcom's oversight of the schemes. We received 16 responses from a range of providers, individuals, consumer groups and trade groups.³⁶ A majority of stakeholders agreed with the scope, with some requesting to broaden it further. This feedback was considered as we developed our consultation proposals.

2.48 In January 2025, we published a Consultation seeking views on our main proposals. Specifically, we proposed:

- to reduce the timeframe before consumers can access ADR from 8 weeks to 6 weeks with a six month implementation period;
- to re-approve both CO and CISAS, alongside some suggested improvements;
- to strengthen the targets for some KPIs we set for the two ADR schemes with a three month implementation period.

2.49 We received 23 responses from a range of providers, consumer groups and trade groups. We received a mix of responses to our proposals, but there was a general majority of support for our proposals to reduce the timeframe for access to ADR, reapprove the two schemes and our proposed changes to KPIs. The feedback from stakeholders has been considered as part of our decisions and is addressed in Sections 3-5.

2.50 Throughout the review we have sought evidence from a variety of sources to support our assessment. On top of the consultation responses that we have received from stakeholders we have also gathered and considered the following evidence:

- We previously requested information from both schemes using our statutory information gathering powers under section 135 of the Act. This included

³⁴ Section 52(3) and 54(2) of the Act.

³⁵ Ofcom, 2023. [Call for Inputs: Review of ADR in the telecoms sector](#).

³⁶ The non-confidential responses can be found on [our website](#).

information relating to the schemes' case acceptance, consumer support, case investigation and adjudication processes, KPIs and service complaints.

- We have also issued information requests under section 135 of the Act to certain providers on their complaints handling procedures and the time taken to resolve complaints, among other things.
- We have engaged with providers to discuss issues raised in consultation responses, and to gather further information in relation to the impact of our proposals, specifically one-off costs providers may incur from a change in the timeframe to access ADR reducing from 8 to 6 weeks.
- We conducted workshops with both schemes to understand how they will action improvements relating to specific reapproval criteria and KPIs. The outputs of these workshops are discussed in Section 4 and 5.
- We commissioned research on the consumer experience of the ADR process (the 'consumer research'). The research followed 77 consumers through their ADR journey, conducting multiple surveys and using participant diaries to understand consumers' experiences at different stages of the ADR process.³⁷ At the end of their journeys, 20 research participants also took part in an additional interview. [The research report](#) was finalised in November 2024 and published alongside our consultation.
- We also commissioned Lucerna to carry out a case review (the 'case review'), assessing a sample of ADR cases, with a particular focus on the quality and consistency of decision-making. Lucerna reviewed 106 cases from CO and 96 cases from CISAS, assessing the schemes against questions derived from the established criteria set out in paragraph 2.24. The case review provides insight into the consumer experience of each scheme, the quality of communication, decision-making, how easy it is for consumers to understand decisions and consistency between the two schemes.³⁸ [Lucerna's report](#) was finalised in September 2024 and published alongside our consultation.

2.51 During the review, we have also collected evidence from desk-based research, including from the schemes' websites.

Impact assessment

2.52 Under Section 7 of the Act, Ofcom is required to carry out and publish an assessment of the likely impact of implementing a proposal which would be likely to have a significant impact on businesses or the general public, or when there is a major change in Ofcom's activities. The relevant duties in relation to the proposal on which we are consulting are summarised above.

2.53 More generally, impact assessments form part of good policy making and we therefore expect to carry them out in relation to a large majority of our proposals. We use impact

³⁷ Ofcom, 2024. Understanding the Alternative Dispute Resolution (ADR) process, full report.

³⁸ Lucerna, 2024. Alternative Dispute Resolution (ADR) case review report.

assessments to help us understand and assess the potential impact of our policy decisions before we make them. They also help us explain the policy decisions we have decided to take and why we consider those decisions best fulfil our applicable duties and objectives in the least intrusive way. Our impact assessment guidance sets out our general approach to how we assess and present the impact of our proposed decisions.³⁹

- 2.54 In this statement, we present the information gathered, our analysis and set out any options considered and assess their impact and proportionality. For example, in Section 3, between paragraph 3.61 to paragraph 3.72, and in Annex 3, we set out in full the impact assessment for our decision to reduce the timeframe before consumers can access ADR from 8 weeks to 6 weeks.

Equality impact assessment

- 2.55 We have statutory obligations under section 149 of the Equality Act 2010 ('the 2010 Act'), section 75 of the Northern Ireland Act 1998 ('the 1998 Act') and section 3(4) of the Act, to consider the likely impact of our proposals on specific groups of persons.
- 2.56 Section 149 of the 2010 Act imposes a duty on Ofcom, when carrying out its functions, to have due regard to the need to eliminate discrimination, harassment, victimisation and other prohibited conduct related to the following protected characteristics: age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion or belief; sex and sexual orientation. The 2010 Act also requires Ofcom to have due regard to the need to advance equality of opportunity and foster good relations between persons who share specified protected characteristics and persons who do not.
- 2.57 Section 75 of the 1998 Act also imposes a duty on Ofcom, when carrying out its functions relating to Northern Ireland, to have due regard to the need to promote equality of opportunity and have regard to the desirability of promoting good relations across a range of categories outlined in the 1998 Act. Ofcom's Revised [Northern Ireland Equality Scheme](#) explains how we comply with our statutory duties under the 1998 Act.
- 2.58 To comply with our duties under the 2010 Act and the 1998 Act, we assess the impact of our proposals on persons with protected characteristics and in particular whether they may discriminate against such persons or impact on equality of opportunity or good relations (see paragraphs 3.10 to 3.16 in our [Impact Assessment Guidance](#) for more information).
- 2.59 Section 3(4) of the Act also requires us to have regard to the needs and interests of specific groups of persons when performing our duties, as appear to us to be relevant in the circumstances. These include:
- i) the vulnerability of children and of others whose circumstances appear to us to put them in need of special protection;
 - ii) the needs of persons with disabilities, older persons and persons on low incomes; and
 - iii) the different interests of persons in the different parts of the UK, of the different ethnic communities within the UK and of persons living in rural and in urban areas.

³⁹ Ofcom, 2023. [Impact Assessment Guidance](#).

- 2.60 Impact assessments not only ensure we comply with our legal obligations, but they also form part of best practice policy making. This ensures that our policy decisions fulfil our objective to make communications work for everyone.
- 2.61 We have examined the potential impacts of our proposals in light of these duties. Overall, we do not consider there would be any negative equality impacts on specific groups of people arising from our proposals.
- 2.62 In forming our decisions, we drew on the following evidence:
- i) Responses from stakeholders to our consultation.
 - ii) Information requests to the providers and schemes. We attempted to obtain data relating to different groups of consumers through these requests; however, neither the providers nor the schemes could provide information at this level of granularity, as they do not hold it on their systems.
 - iii) Research into the consumer experience of ADR. This research assessed the experiences of those who require reasonable adjustments as part of the ADR consumer journey. Both the commissioned research and the case review looked at whether the schemes are sufficiently accessible to vulnerable consumers and consumers based in different regions of the UK.
 - iv) Desk-based research.
- 2.63 We used this evidence to develop our decisions, and we did not identify any adverse equality impacts on specific groups of people as a result of our decisions. We note that we are giving providers nine months to implement the timeframe reduction from 8 to 6 weeks, in comparison to the six months we proposed at consultation. We recognise that extending the wait for customers to access ADR under a shorter timeframe is not optimal, however we do not consider there will be any significant negative impact on consumers given consumers will maintain access to ADR after 8 weeks ahead of implementation. We consider that our decisions will also have the following positive impacts:
- i) Our decision to reduce the timeframe to access to ADR from 8 weeks to 6 weeks and continue to engage with providers on signposting and issues with ADR letters will positively impact all consumers, including those sharing particular protected characteristics.
 - ii) Our decision to re-approve the schemes with minor improvements will have positive impacts on those requiring reasonable adjustments and people of different socio-economic groups. We note that the two schemes already provide reasonable adjustments to consumers who need them.⁴⁰ In our consultation we found that the existing reasonable adjustments are appropriate, but we identified small improvements that could be made to help consumers. Following our consultation we have engaged with the schemes to ensure additional information is available for consumers, to make requesting adjustments easier. These changes include dedicated contact details for requesting adjustments and more information online about how to request adjustments.⁴¹

⁴⁰ Communications Ombudsman. [Reasonable Adjustments Guide](#). [accessed 5 June 2025]. CEDR. [Reasonable Adjustments Policy](#). [accessed 5 June 2025].

⁴¹ Further detail on this is set out in Section 4.

- iii) Our decision to adjust the KPIs we set for schemes will incentivise schemes to improve their performance in responding to consumer correspondence, which will positively impact all consumers, including those sharing particular protected characteristics.
- 2.64 To summarise, we do not consider that our decisions will have either direct or indirect adverse impacts on persons with protected characteristics. After a careful assessment, we conclude that our decisions will positively impact all consumers, including those sharing particular protected characteristics. Where we have required the schemes to improve the information they make available to customers, and requested that they improve how they identify reasonable adjustments, we anticipate that there will be positive impacts on people requiring reasonable adjustments and people of different socio-economic groups.

Welsh language assessment

- 2.65 In recognition of the Welsh language having official status in Wales,⁴² Ofcom is required to comply with Welsh language standards.⁴³ This requires us to consider:
- i) the potential impact of our policy proposals on opportunities for persons to use the Welsh language;
 - ii) the potential impact of our policy proposals on treating the Welsh language no less favourably than the English language; and
 - iii) how our proposals can be formulated so as to have, or increase, a positive impact; or not to have adverse effects or to decrease any adverse effects.
- 2.66 We have considered the potential impacts on opportunities to use Welsh and treating Welsh no less favourably than English in finalising our decisions.
- 2.67 We anticipate that our decision to reduce the timeframe for access to ADR to six weeks and engage with providers on signposting and issues with ADR letters will have no impact, either positive or negative, on opportunities for persons to use the Welsh language or on treating the Welsh language no less favourably than the English language.
- 2.68 We anticipate that our decision to re-approve both schemes and introduce small changes to the consumer journey will have a positive effect on persons to use the Welsh language, and in treating the Welsh language no less favourably than English. Schemes will continue to operate and provide ADR as a route for consumers, including those from Wales.
- 2.69 We anticipate that our decision to adjust the KPIs we set for schemes, to encourage them to improve their performance, will have no impact, either positive or negative, on opportunities for persons to use the Welsh language or on treating the Welsh language no less favourably than the English language.
- 2.70 To understand how our decisions could be formulated to increase a positive impact on opportunities for persons to use the Welsh language and on treating the Welsh language no less favourably than the English language, ahead of publication of our initial proposals we contacted both schemes to understand more about the accessibility of the schemes for persons who use the Welsh language. We found that both CO and CISAS can accept

⁴² [The Welsh Language \(Wales\) Measure 2011.](#)

⁴³ [The Welsh language standard.](#)

complaints and issue decisions in Welsh, with translation tools available that are free to use on their website to allow complainants to access key documents (such as the scheme rules) in Welsh. These translation services are also available to members of staff when they are in contact with complainants.

Structure of this document

2.71 The rest of this document is structured as follows:

- **Section 3. Facilitating access to ADR:** a review of the consumer experience of accessing ADR, including a consideration of any barriers to accessing ADR and if our rules on facilitating access to ADR work effectively. In this section we set out our decision to reduce the time period for consumers to access ADR from 8 to 6 weeks.
- **Section 4. Re-approval of the schemes under the Act:** our assessment and decision on the re-approval of the schemes.
- **Section 5. Setting effective KPIs:** a review of how Ofcom engages and oversees the schemes and our decision to change some of the existing KPIs.

2.72 The annexes are structured as follows:

- **Annex A1. Notification of modifications to General Condition C4 – Complaints handling and dispute resolution.** This gives legal effect to our decision to reduce the period to access ADR by setting out our modification of General Condition ('GC') C4.
- **Annex A2. Our decision-making principles:** guidelines to decision-making that have been adopted by the schemes to aid them with making certain types of decisions and compensation payments.
- **Annex A3. Description of methodology used to estimate effects on providers costs:** conducted by Ofcom, the cost-benefit analysis used in our decision to reduce the 8-week timeframe for accessing ADR.

3. Facilitating access to ADR

Purpose of this section

This section sets out the decisions we have made on our review of the consumer journey to ADR. We present our decisions on whether our rules facilitating access to ADR are working effectively for consumers and if any changes are needed to improve consumer access. In particular, we look at:

- the timeframe before consumers can access ADR, which is currently 8 weeks or earlier if a complaint reaches deadlock;
- the functioning of our rules designed to raise awareness of ADR; and
- the requirement for certain providers to be a member of an Ofcom-approved ADR scheme.

In summary

- Having considered stakeholder responses to our January Consultation, we remain of the view that the current timeframe is not effective in securing prompt access to ADR for some consumers. We have decided to reduce the timeframe for access to ADR from 8 to 6 weeks and that this change must be implemented within 9 months, so by 8 April 2026. The new timeframe will apply to complaints raised on this date onwards.
- Our analysis shows that, for the material number of consumers whose complaint remains open at 6 weeks, the likelihood of receiving a resolution or referral to ADR ahead of the current, 8-week threshold is low. These consumers are typically waiting an additional 2 weeks, seeing no change and continuing to incur any harm or detriment associated with their complaint, before getting access to ADR. We consider that the timeframe needs to be reduced to 6 weeks to ensure it remains effective and consumers have prompt access to ADR.
- We have decided that our rules concerning awareness and membership of ADR remain appropriate. We did not see any evidence from the consultation to suggest we should reconsider this view. We will continue to work with providers to ensure they comply with our existing rules.

Background

- 3.1 Telecommunication services are an essential part of modern life and a key enabler of economic growth. People increasingly rely on mobile and broadband services for participation in society and the economy, and connectivity is vital for business operations. When things go wrong, this can cause significant harm as well as frustration, annoyance and inconvenience. Harm can include loss of service, poor service quality, incorrect billing, mis-selling, unexpected charges and inadequate customer service.

- 3.2 ADR is an important protection for consumers against such issues.⁴⁴ When a consumer cannot resolve a complaint with their provider, ADR offers another route to try and resolve their dispute without having to go to court, which can be expensive and time consuming.⁴⁵ However, its effectiveness relies on consumers having prompt access when their complaint cannot be dealt with by their provider and being given the right information to escalate their complaint if they wish.
- 3.3 We have a specific duty under section 52 of the Act to secure (so far as we consider appropriate) that certain communications providers⁴⁶ (referred to as ‘providers’ in this section) establish and maintain complaints handling and dispute resolution procedures that are easy to use, transparent, non-discriminatory and effective.⁴⁷ To meet this duty, we have in place several rules designed to facilitate access to ADR for consumers. This includes the current requirement that providers issue ADR letters, informing consumers of their right to access ADR, if a complaint has not been resolved to the consumer’s satisfaction within 8 weeks, or before then, if a complaint reaches deadlock.⁴⁸
- 3.4 In our January Consultation, we set out our analysis of whether these rules are meeting our objective and our proposals to improve consumer access to ADR.⁴⁹ In line with our section 52 duty, our objective is to secure that complaints handling and dispute resolution procedures relating to access to ADR are easy to use, transparent, non-discriminatory and effective.
- 3.5 In summary, we provisionally found that our rules which are intended to raise awareness of ADR and the requirement for relevant providers to be a member of an Ofcom-approved scheme continue to be appropriate. However, we also found that the timeframe before consumers can access ADR is not effective in securing prompt access to ADR for some consumers. Our analysis suggested that most consumers who are waiting for longer than 6 weeks to access ADR, and who do not receive a deadlock letter from their provider, are not getting good outcomes. When we considered the potential impact of reducing the timeframe for access to ADR from 8 to 6 weeks, we provisionally concluded that the benefits to consumers of faster access to ADR outweighed the potential costs to providers. We therefore proposed to reduce the timeframe from 8 to 6 weeks.

⁴⁴ In this section, we use the term ‘consumers’ to refer to residential consumers and small business consumers. These consumers are defined in our GCs under the terms ‘Consumers’, ‘Micro Enterprise or Small Enterprise Customers’ and ‘Not-For-Profit Customers’.

⁴⁵ A dispute is a complaint made by a consumer that has not been resolved to the consumer’s satisfaction by their provider. A complaint is an expression of dissatisfaction made by a consumer where a response or resolution is explicitly or implicitly expected.

⁴⁶ Any communication provider that provides public electronic communication services to consumers, microenterprise or small enterprise customers or not-for-profit customers (these terms are defined in the GCs).

⁴⁷ Section 52(3) of the Act.

⁴⁸ Paragraph 11 and 12 of the Code. Deadlock is reached if the provider has told the complainant the outcome of its investigation into the complaint; the complainant has told the provider that they consider the proposed outcome does not resolve the complaint to their satisfaction; and the provider does not intend to take additional steps to resolve the complaint to the complainant’s satisfaction that would produce a different outcome.

⁴⁹ Ofcom, 2025. [Review of ADR in the telecoms sector: Consultation on Ofcom’s review of Alternative Dispute Resolution \(ADR\) procedures established under the Communications Act 2003.](#)

- 3.6 In this section, we explain the decisions we have made on our review of the rules facilitating access to ADR, taking into account our objective. We set out stakeholder responses to our January Consultation, our assessment of those comments and the further analysis we have undertaken since the consultation.

The timeframe for access to ADR

- 3.7 An important part of effective dispute resolution is the amount of time providers are given to resolve a complaint before consumers can access ADR. For ADR to be effective, a balance must be struck between allowing providers sufficient time to resolve complaints and giving consumers access to ADR within a reasonable timeframe.
- 3.8 For a consumer to be eligible for ADR, they must first raise a complaint with their provider and give them an opportunity to resolve it. This is a common feature of ADR across sectors in the UK, which recognises that most complaints can be resolved quickly and effectively by providers.
- 3.9 However, where a provider and consumer cannot agree a resolution to a complaint, it is important that consumers have prompt access to ADR. A consumer may experience significant harm or detriment if they are unable to resolve their complaint with their provider and access to ADR takes longer than it should or there are barriers in place, as their complaint may remain unresolved or be unduly delayed.
- 3.10 Our current rules require providers to issue ADR letters if a complaint has not been resolved to the consumer's satisfaction 8 weeks after it was first received, or before then, if a complaint reaches deadlock. This means that, under our existing rules, consumers must wait 8 weeks before they can take a complaint to ADR, unless deadlock is reached.

Our January Consultation

- 3.11 In our January Consultation, we analysed how consumer complaints are being handled by providers, drawing on information gathered from the six main providers⁵⁰ and the schemes as well as desk-based research. We used this information to consider whether the timeframe is meeting our objective.
- 3.12 Our analysis found that, over a two-year period (1 January 2022 to 1 January 2024), the vast majority (95%) of complaints were resolved by the relevant provider or referred to ADR within 6 weeks. However, of the significant number of complaints (c.700,000) which remained open at 6 weeks, only a relatively small proportion (c.19%) were resolved or referred to ADR ahead of the 8-week timeframe.
- 3.13 This suggests that, while most consumers raising a complaint are experiencing good outcomes, a very large majority of the consumers whose complaint remains open at 6 weeks are waiting an additional 2 weeks without receiving a resolution or referral to ADR, continuing to incur any associated harm or detriment from their complaint. We were concerned that these consumers are not being given prompt access to ADR where their

⁵⁰ This included BT Group (including EE and Plusnet), Sky, TalkTalk, Hutchison 3G UK (Three), VMO2 and Vodafone.

provider cannot resolve their complaint. We provisionally concluded that the timeframe is not meeting our objective.

- 3.14 Therefore, we proposed to reduce the timeframe for access to ADR from 8 to 6 weeks. We proposed a 6-month implementation period for this change.
- 3.15 In line with our duty under section 7 of the Act, we assessed the potential impact of this proposal. We noted that insofar as a change in the threshold for referral to ADR from 8 to 6 weeks would lead to an increase in the number of complaints going to ADR, costs for providers would increase. This is because the cost to providers of dealing with disputes that go to ADR are typically higher than the costs associated with complaints that are resolved internally, by the providers themselves. We also recognised that providers would need to incur some one-off costs to make some operational changes to their complaints handling processes to implement the change in the threshold. We estimated that the cost to the main providers would be around £3.5 million per year (or 2.2% of current complaint handling costs), excluding any one-off costs required. While acknowledging the potential, relatively modest, increase in costs, we considered that the proposal is necessary and proportionate to ensure that the ADR regime remains effective in providing prompt access to dispute resolution.

Stakeholder responses

Our proposal to reduce the timeframe to 6 weeks

- 3.16 Most stakeholders agreed with our proposal to reduce the timeframe before consumers can access ADR from 8 to 6 weeks. These stakeholders gave various reasons why they supported the proposal, including that it: i) would improve consumer outcomes; ii) was justified by the findings of our analysis; and iii) is a reasonable timeframe for most complaints, but providers can continue to handle complaints after the threshold.⁵¹ CCUK and ISPA did not oppose the change for most complaints but indicated that it would not be appropriate for some cases.⁵²
- 3.17 Several stakeholders disagreed with the proposal.⁵³ These stakeholders put forward three main reasons why a 6-week timeframe would not be appropriate: i) 6 weeks would not allow providers enough time to handle some complaints; ii) reducing the timeframe would negatively impact consumers; and iii) the proposed timeframe is out of step with other

⁵¹ [ACNI response to the January Consultation](#), page 1-2; [BT Group response to the January Consultation](#), page 1-2; [Citizens Advice response to the January Consultation](#), page 1-2; [\[3<\] response to the January Consultation](#); [Community Fibre response to the January Consultation](#), page 2; [Consumer Scotland response to the January Consultation](#), page 1-2; [CO response to the January Consultation](#), page 1; [Cuckoo Fibre response to the January Consultation](#), page 1; [Hutchison 3G UK response to the January Consultation](#), page 1; [The Telecoms Advocate response](#) to the January Consultation, page 1-3; [Vodafone response to the January Consultation](#), page 1-2; [Which? response to the January Consultation](#), page 3.

⁵² [CCUK response to the January Consultation](#), page 1-2; [ISPA response to the January Consultation](#), page 2.

⁵³ [FCS response to the January Consultation](#), page 1-2; [INCA response to the January Consultation](#), page 1-2; [Sky response to the January Consultation](#), page 2-6; [TalkTalk response to the January Consultation](#), page 1-5; [UKCTA response to the January Consultation](#), page 2-7; [Utility Warehouse response to the January Consultation](#), page 1-2; [Verastar response to the January Consultation](#), page 1-2; [VMO2 response to the January Consultation](#), page 1-2.

regulated sectors. Some stakeholders also raised concerns with our analysis of the current timeframe and impact assessment. We explore these points below.

6 weeks would not allow providers enough time to handle some complaints

- 3.18 A common theme from responses was that some types of complaints – such as those relating to infrastructure issues or those involving third parties (e.g. Openreach or local councils) – inherently take longer to deal with than others.⁵⁴ While some of the stakeholders that made this point were comfortable with the proposal,⁵⁵ others suggested that 6 weeks would not allow enough time to investigate or resolve such complaints.⁵⁶
- 3.19 TalkTalk and UKCTA observed that providers are required by our rules to resolve complaints as quickly as possible,⁵⁷ with Sky and UKCTA saying that providers are incentivised to do this and consumers can access ADR before 8 weeks by requesting a deadlock letter.⁵⁸ One stakeholder ([redacted]) said that [redacted], and that many complaints in telecoms are complex. It also noted that [redacted].⁵⁹
- 3.20 CCUK and ISPA asked that we consider excluding complex complaints from ADR or maintaining the current threshold for such cases. They said that the timeframe should not be reduced further. BT suggested that Ofcom provide guidance on how accountability will be distributed among service providers, particularly where third parties delay resolution. FCS asked that any change to the threshold should be accompanied by service level agreements for complaint handling. The Telecoms Advocate asked that we consider flexible escalation pathways for more urgent complaints.⁶⁰

Reducing the timeframe would negatively impact consumers

- 3.21 CCUK, ISPA, Sky, TalkTalk, UKCTA, Utility Warehouse, Verastar and VMO2 put forward various reasons why reducing the timeframe may result in negative outcomes for consumers. Sky, TalkTalk, UKCTA, Utility Warehouse and Verastar suggested that this would lead to consumers receiving a poorer service from the schemes, including longer wait times and poorer decisions, as a result of having to deal with an increase in disputes referred to

⁵⁴ [BT Group response to the January Consultation](#), page 1-2; [CCUK response to the January Consultation](#), page 1-2; [Community Fibre response to the January Consultation](#), page 2; [Hutchinson 3G UK response to the January Consultation](#), page 1; [INCA response to the January Consultation](#), page 2; [ISPA response to the January Consultation](#), page 2; [Sky response to the January Consultation](#), page 5-6; [TalkTalk response to the January Consultation](#), page 3-5; [UKCTA response to the January Consultation](#), page 4-6; [Verastar response to the January Consultation](#), page 1; [VMO2 response to the January Consultation](#), page 1-2; [Vodafone response to the January Consultation](#), page 1.

⁵⁵ [BT Group response to the January Consultation](#), page 1-2; [Community Fibre response to the January Consultation](#), page 2; [Hutchinson 3G UK response to the January Consultation](#), page 1; [Vodafone response to the January Consultation](#), page 1-2.

⁵⁶ [CCUK response to the January Consultation](#), page 1-2; [INCA response to the January Consultation](#), page 1-2; [ISPA response to the January Consultation](#), page 2; [Sky response to the January Consultation](#), page 5-6; [TalkTalk response to the January Consultation](#), page 3-5; [UKCTA response to the January Consultation](#), page 4-6; [Utility Warehouse response to the January Consultation](#), page 1; [Verastar response to the January Consultation](#), page 1.

⁵⁷ [TalkTalk response to the January Consultation](#), page 4; [UKCTA response to the January Consultation](#), page 4.

⁵⁸ [Sky response to the January Consultation](#), page 5-6; [UKCTA response to the January Consultation](#), page 4-5.

⁵⁹ [redacted] confidential response to the January Consultation.

⁶⁰ [BT Group response to the January Consultation](#), page 2; [CCUK response to the January Consultation](#), page 1-2; [FCS response to the January Consultation](#), page 2; [ISPA response to the January Consultation](#), page 2; [The Telecoms Advocate response to the January Consultation](#), page 2.

them and complaints being referred with incomplete information.⁶¹ Sky, TalkTalk and UKCTA argued that the change would cause unnecessary stress and additional work for consumers, particularly those accessing ADR. CCUK and ISPA suggested it would result in poor evaluation of complaints by providers given that they would have less time to investigate. Sky, Verastar and VMO2 said that some consumers would have to wait longer for resolution. This is because the consumers that currently have their complaint resolved between 6 and 8 weeks would access ADR at 6 weeks and, therefore, have to wait for the scheme to adjudicate when their complaint would have otherwise been resolved within 2 weeks by the provider.⁶²

- 3.22 While the Telecoms Advocate did not share these stakeholders' views, it did warn that, if providers anticipate more cases reaching ADR sooner, they may adjust complaint-handling strategies in ways that could disadvantage consumers, such as offering more settlements which may not reflect consumers' needs. It also suggested that the schemes should be monitored for capacity issues to avoid increased ADR case times.⁶³
- 3.23 TalkTalk and UKCTA put forward reasons why maintaining the current threshold would benefit consumers. They said it would allow more time for consumer participation, ensure complaints are properly investigated, make sure the schemes receive all the necessary information and allow time for coordination with third parties.⁶⁴

The proposed timeframe is out of step with other regulated sectors

- 3.24 Sky, TalkTalk, UKCTA, Utility Warehouse and Verastar said the new timeframe would put telecoms out of step with other industries. For Sky and TalkTalk, there wasn't a clear reason why telecoms should be different. Sky noted that 8 weeks is common across industries, suggesting that it is appropriate and works well, and highlighted the Government's decision in 2021 to maintain 8 weeks across regulated sectors. TalkTalk observed that no other sectors seem to be considering reducing the timeframe.⁶⁵
- 3.25 TalkTalk, UKCTA and Utility Warehouse said this would create confusion for consumers and complexity for complaints handling teams, and that confusion could undermine trust in the process. UKCTA and Utility Warehouse encouraged Ofcom to look at the wider regulatory landscape before proposing changes.⁶⁶

⁶¹ While agreeing with the proposal, BT Group also made the point that an increase in disputes being raised with the schemes could result in longer wait times for consumers. [BT Group response to the January Consultation](#), page 2.

⁶² [CCUK response to the January Consultation](#), page 1; [ISPA response to the January Consultation](#), page 2; [Sky response to the January Consultation](#), page 5-6; [TalkTalk response to the January Consultation](#), page 3-5; [UKCTA response to the January Consultation](#), page 4-6; [Utility Warehouse response to the January Consultation](#), page 1-2; [Verastar response to the January Consultation](#), page 1; [VMO2 response to the January Consultation](#), page 1.

⁶³ [The Telecoms Advocate response to the January Consultation](#), page 3.

⁶⁴ [TalkTalk response to the January Consultation](#), page 3-4; [UKCTA response to the January Consultation](#), page 5.

⁶⁵ [Sky response to the January Consultation](#), page 3; [TalkTalk response to the January Consultation](#), page 3; [UKCTA response to the January Consultation](#), page 6; [Utility Warehouse response to the January Consultation](#), page 2; [Verastar response to the January Consultation](#), page 2.

⁶⁶ [TalkTalk response to the January Consultation](#), page 3; [UKCTA response to the January Consultation](#), page 6; [Utility Warehouse response to the January Consultation](#), page 2.

Criticism of our analysis on the current timeframe

- 3.26 TalkTalk, UKCTA and Utility Warehouse challenged our assertion that the likelihood of receiving a resolution or referral to ADR after 6 weeks is low. They noted that our analysis did not take into account that some complex complaints take longer to resolve than others.⁶⁷ [§], Vodafone and VMO2 did not agree with the suggestion that providers do not make sufficient use of the 6-to-8-week period. Vodafone and VMO2 argued that this finding did not take into account that complaints which remain open beyond 6 weeks are likely complex and/or involve third parties. Vodafone added that it is committed to resolving complaints as soon as possible, regardless of how long they have been open for. [§].⁶⁸
- 3.27 UKCTA and Utility Warehouse noted the analysis did not consider differences between the resolutions proposed by providers in contrast to the schemes, suggesting that providers give resolutions which are more relevant to consumers. FCS expressed disappointment that the consultation only refers to consumers and there was seemingly no attempt to understand ADR from the perspective of business customers, who often have complex complaints. It asked that we conduct specific analysis for small business consumers and argued that our proposal was not justified on this basis. It also observed that the analysis focused on the big six providers and did not consider smaller providers.⁶⁹
- 3.28 Sky suggested that our consumer research was not extensive enough because it only involved 77 participants, 20 of which were included in the depth interviews. TalkTalk argued that the findings on participants not being satisfied with the 8-week timeframe are flawed, as such research in practice will always show that consumers want a shorter timeframe.⁷⁰

Our provisional impact assessment

- 3.29 Many stakeholders agreed with the findings of our provisional impact assessment. Citizens Advice, the Telecoms Advocate and Three said that the proposal was proportionate. CO and CISAS agreed that the change is necessary to ensure prompt access to ADR for consumers. Cuckoo Fibre mentioned that the proposal would not have a negative impact on its business, while BT suggested it was a fair estimation of the potential costs. Consumer Scotland noted that vulnerable consumers had been considered and the findings are in line with consumer principles of access, fairness and redress.⁷¹
- 3.30 However, several stakeholders did not support the assessment. These stakeholders raised two main concerns: i) they disagreed with our provisional conclusion that the proposal is proportionate and necessary; and ii) they suggested that our approach to estimating the

⁶⁷ [TalkTalk response to the January Consultation](#), page 4; [UKCTA response to the January Consultation](#), page 4; [Utility Warehouse response to the January Consultation](#), page 1.

⁶⁸ [§] confidential response to the January Consultation; [VMO2 response to the January Consultation](#), page 1-2; [Vodafone response to the January Consultation](#), page 1.

⁶⁹ [FCS response to the January Consultation](#), page 1; [UKCTA response to the January Consultation](#), page 6; [Utility Warehouse response to the January Consultation](#), page 1.

⁷⁰ [Sky response to the January Consultation](#), page 5; [TalkTalk response to the January Consultation](#), page 5.

⁷¹ [ACNI response to the January Consultation](#), page 2; [BT Group response to the January Consultation](#), page 2; [CEDR response to the January Consultation](#), page 1; [Citizens Advice response to the January Consultation](#), page 2-3; [CO response to the January Consultation](#), page 1; [Consumer Scotland response to the January Consultation](#), page 2-3; [Cuckoo Fibre response to the January Consultation](#), page 1; [Hutchison 3G UK response to the January Consultation](#), page 1; [The Telecoms Advocate response to the January Consultation](#), page 3; [Verastar response to the January Consultation](#), page 2; [Which? response to the January Consultation](#), page 3-4.

potential cost to providers of reducing the timeframe to 6 weeks was not sufficiently robust.⁷² These concerns are set out in more detail below, alongside the other comments on our assessment.

- 3.31 Sky, TalkTalk, UKCTA, Utility Warehouse and VMO2 argued that the proposal was disproportionate. TalkTalk, UKCTA, Utility Warehouse and Sky said that it would come at a significant cost for providers, adding to the already significant burden of complying with the consumer protection mechanisms Ofcom had introduced in the last five years, which would not be in-keeping with the growth duty or the Government's focus on growth.⁷³ Utility Warehouse added that the compliance burden had resulted in opportunity costs, as it had meant that in some years Utility Warehouse's roadmap only included regulatory changes. Sky, TalkTalk and VMO2 suggested that the change would not result in significant benefits for consumers, given that they are well served by current arrangements. Sky argued that the high point of the change would be a two-week saving for a small number of consumers, while VMO2 said that only 13% of consumers actually access ADR once referred. TalkTalk noted that disputes in telecoms involve smaller sums than other sectors.⁷⁴
- 3.32 CCUK, ISPA and Vodafone argued that the case for this change being necessary had not been made, noting that there are higher priority areas for Ofcom. Vodafone suggested that the impact assessment had not considered the proportionality or necessity of the change. It also said the assessment had not taken into account the impact on investment and innovation. CCUK and ISPA noted that the assessment did not have adequate regard for growth.⁷⁵
- 3.33 FCS, Sky, TalkTalk, UKCTA, Utility Warehouse and Vodafone raised various criticisms of our methodology for estimating the potential costs of the proposal on providers. Sky, TalkTalk, UKCTA and Vodafone criticised how the assessment did not take into account one-off costs, with Sky, TalkTalk and UKCTA also suggesting that the use of assumptions and/or lack of consideration of knock-on effects weakened the analysis. UKCTA, Utility Warehouse and

⁷² [CCUK response to the January Consultation](#), page 2; [FCS response to the January Consultation](#), page 2; [ISPA response to the January Consultation](#), page 3; [Sky response to the January Consultation](#), page 4-6; [TalkTalk response to the January Consultation](#), page 2-3; [UKCTA response to the January Consultation](#), page 2-4; [Utility Warehouse response to the January Consultation](#), page 1-2; [VMO2 response to the January Consultation](#), page 1-2; [Vodafone response to the January Consultation](#), page 2.

⁷³ In addition to its response to the January Consultation, UKCTA provided a report by Plum Consulting: Plum Consulting, 2024. [Regulation in competitive electronic communications markets, and regulatory checks and balances: A report for UKCTA](#). The report examines regulation in electronic communications markets as well the role of Ofcom and the framework for regulatory checks and balances. It made two principal recommendations, based on the findings of the report: i) a review of the existing regulatory landscape: and ii) a review exploring how to improve transparency of regulatory decision making.

⁷⁴ [Sky response to the January Consultation](#), page 3-5; [TalkTalk response to the January Consultation](#), page 2-3; [UKCTA response to the January Consultation](#), page 2-4; [Utility Warehouse response to the January Consultation](#), page 1-2; [VMO2 response to the January Consultation](#), page 1-2.

⁷⁵ [CCUK response to the January Consultation](#), page 2; [ISPA response to the January Consultation](#), page 3; [Vodafone response to the January Consultation](#), page 2.

FCS said that the impact on smaller providers, who may be disproportionately impacted, had not been accounted for.⁷⁶ One stakeholder [§<].⁷⁷

- 3.34 UKCTA noted the costs of this change would likely be passed on to consumers, which providers are keen to avoid. While Which? supported our impact assessment, it stressed that any increase in costs must not be passed onto consumers. Community Fibre questioned our assertion that consumers may want faster complaints handling, even if this comes at a very small cost. It said that, in its experience, consumers valued fairness and transparency over speed.⁷⁸

The proposed 6-month implementation period

- 3.35 While most stakeholders agreed with the 6-month implementation period,⁷⁹ several said that it was insufficient and 12 months would be more appropriate: i) because the change is complex; ii) to allow for structured adjustments to ensure compliance; iii) to allow stakeholders to align processes; and iv) as providers are currently implementing a number of significant changes, including the Telecoms Security Act, one-touch switch and DMCC Act.⁸⁰ [§<].⁸¹
- 3.36 FCS argued that implementing new regulatory changes disproportionately impacts smaller providers, with the Telecoms Advocate observing that smaller providers may need more support. Consumer Scotland and INCA stressed the importance of giving providers adequate time.⁸² Citizens Advice said that there should be processes in place to support providers to meet the deadline. Which? and the Telecoms Advocate suggested we monitor implementation.⁸³
- 3.37 BT, CCUK, ISPA and the Telecoms Advocate suggested a phased approach to implementation, to give an opportunity to assess operational impact and make necessary

⁷⁶ [FCS response to the January Consultation](#), page 1-2; [Sky response to the January Consultation](#), page 4-5; [TalkTalk response to the January Consultation](#), page 2-3; [UKCTA response to the January Consultation](#), page 2-4; [Utility Warehouse response to the January Consultation](#), page 2; [Vodafone response to the January Consultation](#), page 2.

⁷⁷ [§<] confidential response to the January Consultation.

⁷⁸ [UKCTA response to the January Consultation](#), page 3; [Which? response to the January Consultation](#), page 3-4; [Community Fibre response to the January Consultation](#), page 2.

⁷⁹ [ACNI response to the January Consultation](#), page 2; [CEDR response to the January Consultation](#), page 1; [Citizens Advice response to the January Consultation](#), page 3; [CO response to the January Consultation](#), page 2; [Community Fibre response to the January Consultation](#), page 2; [Consumer Scotland response to the January Consultation](#), page 3; [Cuckoo Fibre response to the January Consultation](#), page 1; [FCS response to the January Consultation](#), page 2-3; [The Telecoms Advocate response to the January Consultation](#), page 4; [Verastar response to the January Consultation](#), page 2; [Vodafone response to the January Consultation](#), page 2; [Which? response to the January Consultation](#), page 4.

⁸⁰ [BT Group response to the January Consultation](#), page 2; [CCUK response to the January Consultation](#), page 2-3; [INCA response to the January Consultation](#), page 2-3; [ISPA response to the January Consultation](#), page 3; [Sky response to the January Consultation](#), page 7.

⁸¹ [§<] confidential response to the January Consultation.

⁸² [Consumer Scotland response to the January Consultation](#), page 3; [FCS response to the January Consultation](#), page 2-3; [INCA response to the January Consultation](#), page 2-3; [The Telecoms Advocate response to the January Consultation](#), page 4.

⁸³ [Citizens Advice response to the January Consultation](#), page 3; [Which? response to the January Consultation](#), page 4; [The Telecoms Advocate response to the January Consultation](#), page 4.

refinements before full-scale implementation. They also noted that the change should be accompanied by awareness campaigns.⁸⁴

Other comments

- 3.38 Community Fibre said that some consumers do not respond to proposed resolutions or even accept remedies, but subsequently take their complaint to ADR. FCS asked that we consider when the clock is started on complaints, as this can be disputed. It also said that customers can cause delays, which eats into the time for providers and this will have even more impact if the timeframe is reduced. It therefore suggested we explore whether customer delays could be taken into account at ADR case acceptance.⁸⁵
- 3.39 Citizens Advice suggested we conduct more general reviews of the consumer complaints handling experience in telecommunications, including ADR, over the next few years. Consumer Scotland recommended that Ofcom monitors providers to determine if complaints handling improves generally from reducing the threshold.⁸⁶ CCUK, INCA and ISPA asked Ofcom to conduct information gathering over the next few years to see how the change beds in.⁸⁷

Our assessment and decisions

We consider that the current timeframe is not meeting our objective

- 3.40 We note the concerns raised by some stakeholders on our analysis of the current timeframe and the objections to our proposal to reduce the timeframe. However, our judgement remains that the current timeframe is not effective at providing prompt access to ADR for some consumers.
- 3.41 Our data shows that, over the period under examination, 95% of complaints were resolved or referred to ADR via deadlock within 6 weeks. For the complaints that remained open at this point, c.19% were resolved or referred by 8 weeks.⁸⁸ In our consultation, we said this suggests that, for consumer complaints that reach the 6-week mark, the likelihood of receiving resolution or referral to ADR ahead of the current threshold is low. As we have seen, a few stakeholders challenged this assertion, suggesting that we did not consider the nature of complaints which take more time to resolve. They argued that it, instead, shows that more complex complaints take longer to handle than less complex ones.

⁸⁴ [BT Group response to the January Consultation](#), page 2; [CCUK response to the January Consultation](#), page 2; [ISPA response to the January Consultation](#), page 3; [The Telecoms Advocate response to the January Consultation](#), page 4.

⁸⁵ [Community Fibre response to the January Consultation](#), page 2; [FCS response to the January Consultation](#), page 2.

⁸⁶ [Citizens Advice response to the January Consultation](#), page 3; [Consumer Scotland response to the January Consultation](#), page 2.

⁸⁷ [CCUK response to the January Consultation](#), page 2; [INCA response to the January Consultation](#), page 2; [ISPA response to the January Consultation](#), page 2.

⁸⁸ Ofcom analysis based on: BT Group response to information requested under section 135 of the Act (the statutory information request) dated 3 May 2024; Sky response to the statutory information request dated 3 May 2024; TalkTalk response to the statutory information requests dated 3 May 2024 and 5 June 2025; Three response to the statutory information request dated 3 May 2024; VMO2 response to the statutory information request dated 3 May 2024; and Vodafone response to the statutory information request dated 3 May 2024.

- 3.42 In light of these consultation responses, we have conducted further analysis of complaint resolution times by complaint type. We have engaged with the largest providers to identify the types of complaints which typically take longer to resolve and gathered data on complaint resolution times by complaint type, where this was not already available to us. These providers told us that complaints relating to network faults, repairs and provisioning, as well as those involving third parties, generally take longer to deal with. They also said that complaints relating to complex fraud or accusations of mis-selling and involving other teams within the business can take longer.⁸⁹
- 3.43 To assess the arguments made by these stakeholders, we have looked at how well providers do in resolving within 6 weeks the types of complaints which they indicated require longer to resolve, and compared this against how well providers do in resolving all other types of complaints within 6 weeks.⁹⁰ The arguments of some stakeholders would be supported by the evidence if we observed that the proportion of complaints that were resolved within 6 weeks for the categories the providers flagged were substantially lower than for other complaint types. This would also imply that a much higher proportion of the complaint categories that according to providers typically take longer to deal with are resolved in the 6–8-week period, suggesting that the additional 2 weeks are particularly needed to deal with certain types of complaints.
- 3.44 Figure 1 (below) presents our analysis. For each of the providers we have data for,⁹¹ the blue bar represents the percentage of resolved complaints that were resolved within 6 weeks for the ‘worst performing’ complaint type category (i.e. the category with the lowest proportion of complaints resolved within 6 weeks) and the green bar represents the proportion of all other resolved complaints (excluding the ‘worst performing’ category) that were resolved within 6 weeks.⁹² The chart shows that for [X], [X] complaints were the hardest to resolve within the 6-week period, although [X] managed to resolve 93%. In comparison, [X] was only marginally more successful, at 97%, in resolving all the other types of complaints within 6 weeks.
- 3.45 Across providers, the data shows that generally there is not a material difference in the proportion of complaints resolved within 6 weeks between the ‘worst performing’ complaint category and all other complaints. The one exception to this is the [X] category for [X], where there is a discrepancy of c.30 percentage points. However, this provider still resolved most of these complaints by 6 weeks and this category relates to c.1% of complaints resolved by the provider. Overall, the evidence does not support the suggestion that the additional 2 weeks are particularly needed to deal with certain types of complaints.

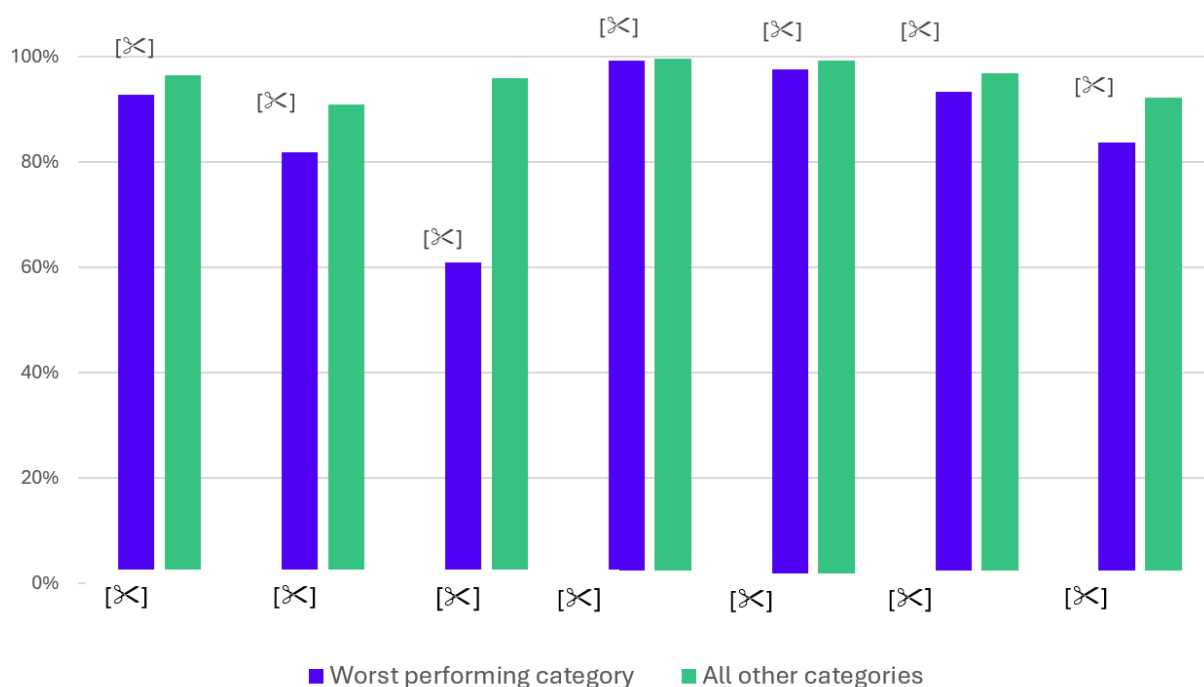
⁸⁹ BT Group/Ofcom meeting, 15 April 2025; TalkTalk/Ofcom meeting, 11 April 2025; Three/Ofcom meeting, 25 April 2025; VMO2/Ofcom meeting, 14 April 2025; Vodafone/Ofcom meeting, 16 April 2025.

⁹⁰ However, we note that the mapping to specific complaint types is not always straightforward, as certain types of complaints, such as those involving third parties, may relate to more than one complaint type category.

⁹¹ This includes BT Group, TalkTalk, Three, VMO2 and Vodafone. The number of sections in figure 1 is greater than five as some of them provided separate data for sub-brands within the business, which could not be aggregated.

⁹² By ‘resolved complaints’, we mean complaints resolved by the provider in accordance with paragraph 15 of the Code.

Figure 1: Percentage of total complaints resolved that were resolved within 6 weeks for the worst performing complaint type category



Source: Ofcom analysis of providers' data⁹³

3.46 Moreover, we consider that the current timeframe does not meet modern expectations. The existing timeframe has been in place since 2009.⁹⁴ Since then, we have seen significant development in digital communications and the extent to which consumers rely on these services. We have also seen substantial progress in complaints handling processes, including improvement in case management systems and increased use of online resources and chatbots. We expect to see further evolution in the future (e.g. with the development of AI).⁹⁵ Our consumer research found that only a minority of participants believed that 8 weeks or more is an appropriate threshold.⁹⁶ We note TalkTalk's assertion that this finding is flawed and Sky's concerns that the research was not extensive enough. In response, we observe that this finding is supported by several other studies, including research by Money Saving Expert, Ombudsman Services (the predecessor to CO) and the Communications Consumer Panel (CCP).⁹⁷ And while we accept participants were not made aware that this change could potentially increase their bills, as providers may seek to pass on the costs they

⁹³ BT Group response to the statutory information request dated 5 June 2025; TalkTalk response to the statutory information request dated 5 June 2025; Three response to the statutory information request dated 3 May 2024; VMO2 response to the statutory information request dated 3 May 2024; Vodafone response to the statutory information request dated 3 May 2024.

⁹⁴ Ofcom, 2009. [Improving Access to Alternative Dispute Resolution](#).

⁹⁵ For example, in its response to our statutory information request dated 3 October 2024, BT Group submitted that it has been developing a future strategy for complaints handling and looking at how it could use AI.

⁹⁶ Ofcom, 2024. [Understanding the Alternative Dispute Resolution \(ADR\) process, full report](#), slide 22.

⁹⁷ MoneySavingExpert, 2019. [The Case for Shortening the Ombudsman 8-week Rule](#). Ombudsman Services, 2020. [CAM 2020: Consumer Action Monitor](#). CCP, 2018. [Effective Problem and Complaints Handling – Reality or Illusion?](#).

would have to incur if the threshold for referral were to change to 6 weeks, we estimate that the cost per household would be very small (c.11.5p per year, which is less than 0.02% of a household's yearly average expenditure for communications services).⁹⁸ We have weighed the strength of feeling from consumers on the current timeframe against this estimate.

- 3.47 On FCS's comments that business consumers were not taken into account, we acknowledge that complaints raised by small businesses may be more complex than those from residential consumers. We also note that residential and small business consumers were considered together in our analysis. We believe this was appropriate given that our duty to secure complaints handling and dispute resolution covers both these types of consumers. With respect to the broader point that the consultation as a whole did not take business consumers into account, we observe that the case review by Lucerna included a representative sample of cases relating to small businesses.⁹⁹
- 3.48 As set out previously, FCS raised concerns that our analysis focused on the big six providers and did not take into account smaller providers. We note that these providers make up the vast majority of the market and disputes raised with the schemes, and as such they are where the greatest impact of the changes will be felt.¹⁰⁰ We consider that the impact of the change on smaller providers' costs to handle complaints should be broadly proportionate and explain this in more detail below.
- 3.49 With regard to UKCTA and Utility Warehouse's point that our analysis did not consider the different resolutions proposed by the schemes and providers, our case review found that the schemes are generally performing well and making good decisions. And while the schemes can and do award credits and apologies, they can also compel providers to resolve the issue which the consumer has complained about.

6 weeks is a fair and reasonable timeframe which will benefit consumers

- 3.50 As set out above, the timeframe for access to ADR must balance the needs of consumers to have prompt access to ADR against allowing enough time for providers to deal with most complaints. Our judgement is that 6 weeks strikes the right balance.

⁹⁸ To calculate the average cost per household, we divided the estimated increase in yearly costs (c.£3.3m as per our updated estimates set out in Annex 3) across the six main providers by the number of households in the UK, which according to the most recent ONS data is 28.4 million. This gives an increase in household expenditure of 11.5p, if providers pass through all of the increase in their annual costs. To calculate the percentage increase in the average yearly expenditure per household, we used information from Ofcom's 2024 report on [Pricing trends for communications services in the UK](#) (figure 2) on the average monthly expenditure on bundled broadband and landline services of a low income couple with basic needs, which stands at £55 per month. We used this as our benchmark as if costs were to be passed on equally to all customers, those with lower expenditure would be most affected. The respective yearly expenditure for these services is £660. This implies that the increase in expenditure on these communications services would increase by 0.02%. Following the same approach, we have found that if providers were to fully pass any one-off costs they would have to incur (which we estimated to be between £2.9m and £3.3m) to consumers in the first year, there would be a further one-off increase of 10p to 11.6p per household.

⁹⁹ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review: Final Report](#).

¹⁰⁰ For the period we have data for (1 January 2022 to 1 January 2024), around 80% of the disputes raised with the schemes were from the main six providers. These providers make up about 80-90% of the broadband, mobile and landline markets.

- 3.51 We believe that the harms, from a longer period before accessing ADR, are material. When consumers make complaints, it is clear that they have already encountered an issue, and they will have incurred a degree of detriment because of this. It is then important that complaints are dealt with quickly, which is what happens with the large majority of complaints. However, when it takes a long time to resolve a complaint, this can cause significant harm as well as frustration, annoyance and inconvenience. Harm can include loss of service, poor service quality, incorrect billing, mis-selling, unexpected charges and inadequate customer service.
- 3.52 We note the concerns raised by some stakeholders that 6 weeks would not allow providers enough time to investigate or resolve certain complaints, including those relating to infrastructure issues or involving third parties. We accept that some complaints may take longer to resolve than others. We also acknowledge that providers are required by our rules to take active, prompt steps to resolve complaints.
- 3.53 However, as set out previously, our analysis found that the vast majority of complaints were resolved or referred to ADR by 6 weeks and, of those still open at 6 weeks, only a small proportion are resolved or referred before 8 weeks.¹⁰¹ And our further analysis found that the proportion of complaints resolved within 6 weeks relating to the ‘worst performing’ complaint type category is not materially different to all other complaints. This shows that 6 weeks is a reasonable timeframe, as the vast majority of complaints are dealt with ahead of this time, including complex ones, and the remaining complaints are unlikely to be resolved by 8 weeks. It also suggests that it is not necessary to reduce the timeframe only for certain complaints, provide guidance on how accountability will be distributed among service providers or introduce SLAs for complaints handling, as suggested by BT, FCS, CCUK and ISPA.
- 3.54 Moreover, providers can continue to resolve complaints after the threshold is reached and we have evidence to suggest that they do so. Of the approximately 559,000 complaints still open after 8 weeks, around a fifth (c.105,000) were resolved by the provider. This means that many of the complaints that are resolved between 6 and 8 weeks can be dealt with outside ADR, particularly if the provider communicates effectively with an engaged consumer. For these complaints, providers would not incur the additional costs associated with the ADR process. This will continue to remain an option for providers with a 6-week threshold. It also means that the potential impact on the providers is unlikely to be significant, as we explain further below.
- 3.55 In response to Sky and UKCTA’s point that consumers can access ADR before 8 weeks through deadlock, we note that deadlock is triggered when the provider does not intend to take additional steps to resolve a complaint, not when a customer requests a deadlock

¹⁰¹ Since the January Consultation, we have done some further analysis on Three’s data provided in response to the statutory information request dated 3 May 2024 to address a clarification Three provided and remove from the total number of complaints received complaints that had been cancelled as duplicates, vexatious, invalid etc. This leads to minor changes in Three’s reported numbers (c. 1 percentage point) and does not affect our conclusions. For the analysis presented in this statement, we have used the updated numbers for Three.

letter. Additionally, the data we have shows that only a very small proportion of consumers (0.7%) are getting access to ADR before the current threshold through deadlock.¹⁰²

- 3.56 We note the recommendation from the Telecoms Advocate that we provide flexible escalation pathways for urgent complaints. We consider that it would be challenging for us to define, and for providers to interpret, 'urgent' complaints. This is because the urgency of a complaint will vary by consumer and provider. Therefore, we do not consider that it would be appropriate to provide such a pathway for consumers, especially given that most have their complaint resolved quickly.
- 3.57 We do not support the arguments made by stakeholders that reducing the timeframe will negatively impact consumers or that the change will not result in commensurate benefits. We consider that this change is likely to bring significant benefits. Telecoms is a critical utility, so when issues occur this can cause significant harm.¹⁰³ It is important that complaints are resolved within a reasonable timeframe and where providers cannot do this, consumers must have prompt access to ADR. The importance of ADR for consumers was reflected in our consumer research. Participants reported feeling exhausted by their experience of complaining to their providers, with some expressing a sense of relief and hope when a scheme was involved.¹⁰⁴
- 3.58 Reducing the timeframe will provide faster access to ADR for a material number of consumers. For those who have a dispute which can only be resolved through ADR, this will mean a faster pathway to resolution. And it may empower consumers still actively pursuing a resolution with their provider. This is because, once the threshold has been reached, the incentives for providers to resolve complaints are enhanced, so they can avoid ADR case fees. But the consumer has another route if they are not satisfied with the progress being made.
- 3.59 We disagree that the change will have a significant knock-on effect on the schemes resulting in negative outcomes for consumers. We have spoken to the schemes, who have told us that they already have processes in place to manage fluctuations in case volumes, including pulling resource from other existing dispute resolution services they provide and if needed, using an outsource partner to hire additional staff on a short-term basis.¹⁰⁵ We are content that these processes are sufficiently robust to manage a potential modest increase in the number of disputes raised with the schemes. We also observe that neither CO nor CISAS raised concerns about the change in response to our consultation.
- 3.60 We do not consider that telecoms having a different timeframe compared to other industries is cause for concern or that it will lead to material consumer confusion.

¹⁰² Ofcom analysis based on: BT Group response to the statutory information request dated 3 May 2024; Sky response to the statutory information request dated 3 May 2024; TalkTalk response to the statutory information request dated 3 May 2024; Three response to the statutory information request dated 3 May 2024; VMO2 response to the statutory information request dated 3 May 2024; and Vodafone response to the statutory information request dated 3 May 2024.

¹⁰³ The Government designates Communications as Critical National Infrastructure. Critical National Infrastructure 'are those facilities, systems, sites, information, people, networks and processes, necessary for a country to function and upon which daily life depends'. NPSA, [Critical National Infrastructure](#) [accessed 16 June 2025].

¹⁰⁴ Ofcom, 2024. [Understanding the Alternative Dispute Resolution \(ADR\) process, full report](#), slide 12.

¹⁰⁵ CO/Ofcom meeting, 12 May 2025; CISAS/Ofcom meeting, 2 May 2025.

Awareness of ADR is generally quite low, but providers are required under our rules to inform consumers of their right to access ADR, and how to do so, when they become eligible. We think that this will limit any potential confusion. To the extent the change introduces additional complexity to complaint handling processes, we have not seen anything to suggest this would be significant or cannot be addressed, such as through appropriate training. And in response to Sky's comments regarding the Government's 2021 decision to maintain 8 weeks across regulated sectors, while Government did decide not to impose a standardised 4-week timeframe, it encouraged individual sectors to explore the case for reducing the threshold.¹⁰⁶ We have done just that and consider the case has been made. Changes may also be made in other sectors.

The change is necessary and proportionate

- 3.61 Ofcom's principal duty is to further the interests of citizens and consumers in relevant markets, where appropriate by promoting competition. We also have a duty to set GCs to secure that providers have and maintain complaints handling and dispute resolution procedures which are easy to use, transparent, non-discriminatory and effective.
- 3.62 When exercising our functions, we must have regard to the desirability of promoting economic growth. The Government's statutory guidance on the Growth Duty says that this involves only taking action that is necessary and proportionate, but that this does not necessarily entail 'less regulation' and a well-protected population leads to higher productivity and growth. The guidance goes on to explain that, when consumers are well protected, this also increases consumer confidence encouraging them to buy new products and services thereby further promoting growth.¹⁰⁷
- 3.63 As explained previously, we are concerned that some consumers are not being given prompt access to ADR and the current timeframe is not meeting our objective. We consider it is necessary to reduce the timeframe to 6 weeks to close this gap and ensure that the ADR regime remains effective. While providers are incentivised to deal with complaints quickly, they do not typically compete to win customers based on their complaints handling. Therefore, this is an area where regulation is required, as commercial incentives are not enough to ensure that complaints handling is sufficiently good.
- 3.64 Having reviewed the evidence for the purposes of this review, our assessment is that this change is proportionate. We recognise that lowering the timeframe for access to ADR may increase providers' overall costs to handle complaints, as the number of disputes being raised with ADR, and therefore case fees, may increase. If these cost increases are significant, they may be passed onto consumers as higher prices. We estimate that changing the threshold to 6 weeks will result in a 2.1% increase in providers' yearly complaints handling costs.¹⁰⁸ In response to the concerns raised by UKCTA and Which? that this may be passed on to consumers, we estimate that this would be equivalent to 11.5p per household per year, which would be a very small additional cost for consumers to bear.

¹⁰⁶ Department for Business, Energy and Industry Strategy ('Department for BEIS'), 2021. [Reforming Competition and Consumer Policy](#).

¹⁰⁷ Department for Business & Trade, 2024. [Growth Duty: Statutory Guidance – Refresh](#), page 4-8.

¹⁰⁸ The estimated increase in providers' yearly costs is smaller than we estimated for the consultation (2.2%). This primarily reflects an update in TalkTalk's take-up rate following a data resubmission in response to our statutory information request dated 5 June 2025. In Annex 3, we detail our updated analysis.

Even if providers were not able to pass on all of the increase in their costs to consumers, we consider that the benefits to consumers, as explained in this section,¹⁰⁹ would outweigh the potentially higher costs to providers, given that a significant number of consumers (c.700,000)¹¹⁰ will access these benefits. As the overall cost increase to providers is likely to be relatively small, we also consider it unlikely this will have a dampening effect on investment or opportunity, in response to the concerns raised by CCUK, ISPA, Vodafone and Utility Warehouse.

- 3.65 As discussed elsewhere, the harm and detriment which consumers may incur, due to needing to wait until 8 weeks to access ADR, could be substantial. Telecoms services are an essential part of most people's day-to-day lives. However, the benefit does not only arise for those consumers who are able to access ADR earlier due to our changes. Rather, one can think of ADR as a form of insurance which benefits all users of communications services. ADR socialises the risk of a consumer's complaint not being quickly and satisfactorily resolved by the provider such that, even though a relatively small minority of consumers find themselves in this position, all users benefit from there being an effective ADR process to deal with an issue if it has not been resolved. A consumer cannot know, when purchasing a communications service, whether they will need to use ADR or not, so all consumers place some value on the availability of ADR. Providing faster access to ADR for those complaints which have not been resolved after 6 weeks, and which are unlikely to be resolved prior to 8 weeks, provides value to all consumers of communications services.
- 3.66 Reducing the timeframe will strengthen consumer protection and confidence in telecoms services by speeding up access to independent redress. In this way, we consider that the change will promote sustainable economic growth in the manner described by the statutory guidance. Moreover, many benefits extend beyond the consumer directly affected by the change and their households given the vital role communications play in our economy, enabling people and businesses to connect, facilitating remote working and thereby supporting innovation, productivity and growth. If a consumer has significant problems with their service, this can result in lost productive hours, as well as disruptions in work and education related activities, ultimately harming growth and innovation. As explained previously, reducing the timeframe for access to ADR is likely to speed up the complaints journey for some consumers, potentially resulting in fewer productive hours lost. Therefore, we are of the view that the proposal is compatible with the growth duty.
- 3.67 We note the criticisms of not including one-off costs in our impact assessment. While we sought this information ahead of the consultation from five providers, we only received responses from two. We have since engaged with the other providers and all but one provided us with an estimate of one-off costs.¹¹¹ We consider that the information provided allows us to make a reasonable estimate of one-off costs for providers. We estimate that the total one-off costs for the six providers would be between £2.9 million to £3.3 million. If this cost was passed onto consumers in the first year, we estimate that it would result in a further 10p to 11.6p one-off increase in household bills. We explain further our methodology for this analysis in Annex 3.

¹⁰⁹ Principally, in paragraphs 3.57, 3.58 and 3.65.

¹¹⁰ This figure is for the two-year period we collected data for.

¹¹¹ We verified these estimates using our statutory information gathering powers.

- 3.68 In response to the criticisms of not considering knock-on effects, our assessment acknowledges that the change in the ADR threshold from 8 to 6 weeks could have effects on consumer behaviour (e.g. by empowering them, the change could increase the likelihood that a consumer will persevere with their complaint or take it to ADR) or providers' incentives (e.g. in order to avoid additional costs due to ADR, providers may improve their processes and speed up complaint resolution so that fewer complaints reach the 6-week mark). We have also acknowledged that such second-order effects could either increase or decrease the actual costs providers will incur as a result of a change in the threshold. However, due to lack of evidence and to not include further assumptions, we have not sought to quantify these knock-on effects.
- 3.69 We also note that providers did not submit evidence at consultation on the nature or magnitude of these knock-on effects. Further, there are some other factors which we have not included in the assessment, and would also require some assumptions to be made, which likely act as a counterweight to the knock-on effects. In particular, we have not sought to include the potential savings for providers for complaints currently resolved between 6 to 8 weeks.
- 3.70 On the criticisms of using assumptions in our cost estimates, we note that we sought cost data from providers and only used assumptions where information was not available from providers. All the data we gathered was used to inform our assessment.
- 3.71 With regard to the concerns that the impact on smaller providers had not been accounted for, we consider the number of complaints and size of complaint handling teams are likely to be broadly proportionate between smaller and larger providers, so the impact should also be largely equivalent. We have not seen any evidence to suggest that impact is likely to be disproportionate.
- 3.72 On Community Fibre's suggestion that consumers prefer fairness and transparency in complaints handling over speed of resolution, we accept that consumers value fairness and transparency. But the longer a complaint goes on for, the longer a consumer sits with any associated harm and detriment. In this way, we consider that reducing the timeframe will improve fairness for consumers. We also note that the qualitative research, commissioned for our 2023 Comparing Customer Service Report, found that the time taken on the complaint was an important factor that contributed towards a positive consumer complaint experience, with participants preferring a short and efficient experience.¹¹²

We have decided to reduce the timeframe for access to ADR to 6 weeks

- 3.73 After carefully considering stakeholder representations together with the evidence we have outlined above, we remain of the view that the current timeframe is not meeting our objective, 6 weeks is a fair and reasonable timeframe, and it is necessary and proportionate to change the timeframe to 6 weeks.
- 3.74 We are concerned that a material number of consumers who have a complaint open at 6 weeks are sitting with any harm or detriment from their complaint for an additional 2 weeks before getting access to ADR. The evidence suggests that consumers think that the 8-week timeframe is too long, which is unsurprising given the developments in digital communications and complaints handling since the timeframe was last changed in 2009.

¹¹² Ofcom, 2023. [Complaints handling experience: qualitative insight](#).

Since this time, our reliance on telecoms services has grown, underlining the importance of a robust framework for dispute handling. Most complaints, including those which typically take longer to resolve, are dealt with before 6 weeks and the remainder are unlikely to be dealt with ahead of 8 weeks. Our estimates indicate that the increase in providers' overall costs to handle complaints, if not passed through to consumers, will be relatively small, particularly as most consumers do not end up using ADR once referred. If these costs are passed onto consumers, we estimate that the increase in yearly bills per household would be small.

- 3.75 For all these reasons, we have decided to maintain our proposal to reduce the timeframe for access to ADR from 8 to 6 weeks.

The implementation period

- 3.76 We acknowledge the concerns raised regarding the proposed 6-month implementation period. In isolation, our view is that 6 months is a reasonable amount of time for providers to undertake the task required to implement a reduction in the threshold, including updating IT systems, training and briefing staff, and updating external communications. But we are mindful of other system changes that providers may need to implement, which may create additional risks.
- 3.77 We want to ensure successful implementation of this new timeframe among all providers, including the large number of smaller providers. We have therefore decided to extend the implementation period to 9 months. The new timeframe will come into force on 8 April 2026 and will apply to any complaints raised from this date onwards. While this allows more time for those providers who may need it, we are conscious that this extends the harm and detriment which consumers incur due to the longer timeframe to access ADR. For this reason, we do not consider that it would be appropriate to allow 12 months for providers to implement this change nor do we consider that a phased approach would be appropriate.

Other stakeholder comments

- 3.78 We note Community Fibre's request that we address the issue of consumers who do not engage with a proposed resolution or accept remedies but subsequently take a dispute to ADR. We also acknowledge FCS's comment that customers delays can eat into the time a provider has to resolve a complaint. If a consumer has accepted a resolution to a complaint, they should not be eligible for ADR. Providers can appeal disputes accepted by a scheme if they believe it is out of their jurisdiction. And our current rules allow providers to close complaints 28 days after telling the consumer about the outcome of their complaint if they do not respond within this timeframe.¹¹³
- 3.79 FCS suggested that there can be ambiguity on when the clock is started on a complaint. We note that our rules specify that the clock starts when the complaint was first received by the provider. And on Citizens Advice and Consumer Scotland's recommendations that we undertake more general reviews of complaints handling and monitor providers, we have a programme of work currently in place which monitors providers compliance with our

¹¹³ Paragraph 15(b) of the Code.

complaint-handling rules. This programme will also monitor the implementation of the change to the ADR timeframe, in response to CCUK, ISPA and INCA.

Awareness of ADR

- 3.80 For consumers to be able to exercise their right to ADR, they need to know about it and how to access it. If a consumer is unaware of this and unable to resolve their complaint with their provider, they may wrongly think their options for redress are limited to the courts and may struggle to resolve their complaint or resolution may be unnecessarily delayed.
- 3.81 Our current rules include several requirements designed to make sure that consumers are made aware of ADR and how they can access it. This includes:
- Providers must issue ADR referral letters if a complaint has not been resolved to the consumer's satisfaction within 8 weeks of it first being raised, or before then, if a complaint reaches deadlock.¹¹⁴
 - ADR letters must state: i) that the consumer has the right to access ADR at no cost to them; ii) the name and contact details of the scheme to which the provider is a member; and iii) that the scheme is independent of the provider.¹¹⁵
 - When telling a consumer the outcome of an investigation into their complaint, providers must give the consumer the contact details of the scheme of which the provider is a member.¹¹⁶
 - Providers must include certain information in bills, specifically the name and contact details of the relevant scheme, that the scheme offers independent dispute resolution at no cost to the consumer and that the scheme can normally be accessed 8 weeks after raising a complaint with the provider.¹¹⁷

Our January Consultation

- 3.82 In the January Consultation, we analysed the consumer experience of accessing ADR. In particular, we assessed the proportion of eligible consumers receiving ADR letters and the content of these letters, using information obtained from the main providers and schemes.
- 3.83 We found that, between 1 January to 31 December 2023, 60% of the consumers that accessed CO received ADR letters from their provider, compared to 85% the previous year. For CISAS, 78% of its customers were signposted by their provider. We noted that we had seen some improvement in providers' signposting rates in 2024, with some providers signposting a significantly higher proportion of consumers to ADR each month. We identified some minor issues with the content of providers' ADR communications; for example, a number of providers included contact details for Ombudsman Services (OS), the

¹¹⁴ Paragraph 11 and 12 of the Code.

¹¹⁵ Paragraph 13 of the Code.

¹¹⁶ Paragraph 9(b) of the Code.

¹¹⁷ Paragraph 26 of the Code.

predecessor to CO. We also observed that some external studies suggest that awareness of ADR among consumers is low.¹¹⁸

- 3.84 However, we provisionally concluded that these issues do not raise concerns that our rules are not meeting our objective. We believed that, when applied correctly, our rules are effective in facilitating access to ADR and securing sufficient transparency of relevant complaints handling and dispute resolution procedures for consumers. This is because the rules require providers to give consumers all the necessary information to access ADR at the point they become eligible.
- 3.85 We said we would engage with the main providers on the issues identified. We considered this action proportionate to the scale of these issues and given we had not identified any concerns with the rules themselves.

Stakeholder responses

- 3.86 Most stakeholders agreed with our provisional conclusion that our rules facilitating access to ADR are working well overall.¹¹⁹ No stakeholder explicitly disagreed with our position, but a few did partially agree.¹²⁰ We did not receive many comments specifically about our assessment of our rules on awareness of ADR. However, some stakeholders raised concerns or had suggestions for improvement, which we explore below.
- 3.87 Some stakeholders commented on consumers' general awareness of ADR. ACNI and the Telecoms Advocate noted that many consumers are not aware of ADR, suggesting that more needs to be done to raise awareness. For ACNI, this means that many consumers are not able to exercise their right to ADR. ACNI emphasised that access must be straightforward, particularly for vulnerable consumers who may face accessibility issues such as difficulty navigating digital platforms or lack of tailored support. It also suggested that ADR communications should be improved by stressing availability from the beginning of the complaints journey and giving more focus to vulnerable groups. Citizens Advice noted that our consumer research had found that participants were relying on their own research to understand ADR, arguing that this leads to confusion and possibly unrealistic expectations. BT highlighted awareness of ADR and ease of access playing a key role in ensuring good outcomes for consumers, so it supports ongoing initiatives to improve this.¹²¹
- 3.88 A few stakeholders raised concerns about providers' signposting of consumers to ADR. Which? said that our rules in this regard may not be furthering our objective and that we

¹¹⁸ Citizens Advice, 2016. [Understanding Consumer Experiences of Complaint Handling](#); CCP, 2018. [Effective Problem and Complaints Handling – Reality or Illusion?](#); Ombudsman Services, 2020. [CAM 2020: Consumer Action Monitor](#).

¹¹⁹ [ACNI response to the January Consultation](#), page 1-2; [BT Group response to the January Consultation](#), page 1; [CCUK response to the January Consultation](#), page 1; [CEDR response to the January Consultation](#), page 1; [CO response to the January Consultation](#), page 1; [Community Fibre response to the January Consultation](#), page 1; [Consumer Scotland response to the January Consultation](#), page 1; [Hutchison 3G UK response to the January Consultation](#), page 1; [ISPA response to the January Consultation](#), page 1; [VMO2 response to the January Consultation](#), page 1.

¹²⁰ [The Telecoms Advocate response to the January Consultation](#), page 1; [Which? response to the January Consultation](#), page 1-3.

¹²¹ [ACNI response to the January Consultation](#), page 1-2; [The Telecoms Advocate response to the January Consultation](#), page 1; [Citizens Advice response to the January Consultation](#), page 1; [BT Group response to the January Consultation](#), page 1.

should monitor signposting closely and put in place processes to mitigate poor performance. The Telecoms Advocate argued that some providers obstruct or delay access to ADR by not issuing ADR letters in a timely manner, or at all, and recommended clearer rules on signposting. Both these stakeholders called for greater enforcement of our rules.¹²²

- 3.89 ACNI suggested that Ofcom should review the wider ADR landscape, as there may be lessons to learn from approaches taken elsewhere. The Telecoms Advocate flagged the challenges that small business consumers can face when navigating the ADR process and recommended that the scope of which businesses can access ADR should be broadened, as the sophistication of a business is not necessarily reflected in its size. Citizens Advice suggested that an advisory body, similar to the one it provides for the energy sector, is set up to support consumers. FCS noted our intention to engage with the main providers on the issues identified with their ADR communications and asked that we share this insight with the wider industry.¹²³

Our assessment and decision

- 3.90 We note the concerns raised by stakeholders in relation to consumer awareness of ADR and signposting of ADR by providers. We acknowledged at consultation that consumer awareness of ADR is generally low. We also recognised that there is room for improvement in some providers' signposting rates, although we noted that we had seen signs of improvement, as explained above.
- 3.91 As the stakeholder responses we received did not raise any substantive issues we were not previously aware of, we remain of the view that our rules designed to raise awareness of ADR are meeting their objective. Our current rules raise awareness of ADR in a targeted way, as providers are required to issue ADR letters to all consumers at the point they become eligible, which include information on the name and contact details of the relevant scheme. When applied correctly, we consider our rules are effective in facilitating consumer access to ADR and securing sufficient transparency of relevant complaints handling and dispute resolution procedures for consumers.
- 3.92 We have engaged further with providers on the content of their ADR letters, in light of the minor issues we identified at consultation. We heard back from all the providers and have seen the vast majority of the issues addressed, and we will continue to engage with the providers to resolve the outstanding points. In response to the FCS's suggestion that we share insights with wider industry on this, once we have concluded our engagement with providers, we will consider whether this is appropriate.
- 3.93 We note the point made by the Telecoms Advocate that small business consumers face challenges engaging with the ADR process. And we acknowledge the comment from ACNI that access to ADR must be straightforward, particularly for vulnerable consumers. The case review found that both schemes were sufficiently accessible and provided consumers with

¹²² [Which? response to the January Consultation](#), page 1-2; [The Telecoms Advocate response to the January Consultation](#), page 1.

¹²³ [ACNI response to the January Consultation](#), page 1; [Citizens Advice response to the January Consultation](#), page 1-2; [FCS response to the January Consultation](#), page 3; [The Telecoms Advocate response to the January Consultation](#), page 1-3.

sufficient information, including to the small proportion of business consumers considered as part of the review.¹²⁴

- 3.94 With regards to the Telecoms Advocate’s call for expanding the remit of small businesses, we set our rules around access to ADR pursuant to our duty in section 52 of the Act, which requires us to secure procedures for complaints handling and dispute resolution for “domestic and small business customers”. In brief, the Act defines “domestic and small business customers” as a customer who is neither a communications provider nor a business with more than ten workers. Expanding the scope of those businesses able to access ADR is not within the remit of this review.
- 3.95 In response to ACNI’s suggestion to consider the wider ADR landscape, pre-consultation we carried out desk-based research into alternative schemes and the wider international context. Our research found that ADR schemes vary in terms of cost, timings, decisions reached and the process of contacting them. We still consider that within our scope as a regulator of UK providers, our current rules are proportionate and sufficient. With respect to Citizens Advice’s suggestion of an advisory body, we note that consumers can contact Citizens Advice, and other similar bodies, for support.
- 3.96 Overall, we are of the view that, at this moment, the obligations we have imposed on providers relating to raising awareness of ADR remain appropriate in securing that complaints handling and dispute resolution procedures are easy to use, transparent and effective. However, this will remain under review in the expectation that improvements in provider compliance will continue, particularly with regard to signposting. Moving forward, we will continue to engage with providers as part of our ongoing monitoring work to drive better compliance. We will also regularly engage with the ADR schemes on signposting rates. In situations where we are unable to resolve compliance concerns informally, we will consider formal enforcement action, as appropriate, in line with our enforcement guidelines.

Requiring providers to be members of an Ofcom-approved ADR scheme

- 3.97 Consumers cannot make use of the benefits of ADR unless their provider is a member of, and cooperates with, one of the schemes. Our rules impose an obligation on providers to be a member of an Ofcom-approved ADR scheme and comply with the scheme, including abiding by any final decision made.¹²⁵

Our January Consultation

- 3.98 Evidence gathered for the January Consultation revealed that several providers are not meeting their obligation of being a member of an Ofcom-approved ADR scheme. From complaints raised between 1 November 2023 to 1 November 2024, we identified 58 providers that we believe should have been a member of a scheme but were not.

¹²⁴ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review: Final Report](#).

¹²⁵ C4.3(a) and (b) of the GCs.

- 3.99 We provisionally concluded that the current rule in GC C4.3 is sufficient for securing that procedures for facilitating access to ADR are effective. We considered this issue is one of non-compliance with the rule, as opposed to a problem with the rule itself. We said we would continue to monitor any complaints received about this particular issue.

Stakeholder responses

- 3.100 Only Consumer Scotland commented specifically on our assessment of the requirement for providers to be a member of an Ofcom-approved ADR scheme. It called for regular monitoring of provider compliance with the membership rules, with enforcement action taken where necessary as effective action in response to rules being broken increases consumer confidence.¹²⁶ As explained above, many stakeholders agreed that our existing rules are generally working well.

Our assessment and decision

- 3.101 As discussed above, we are aware of a few smaller providers not fulfilling their membership requirement. However, particularly as we did not receive any comments majorly concerned with our membership rule, we remain of the view that it is sufficient. We consider this an issue of non-compliance with the rule, rather than a problem with the rule itself.
- 3.102 As set out in our January Consultation, we will continue to monitor any complaints received about this issue and engage with providers as necessary to reinforce our requirements and remind them of their obligations under the GCs. Where we are unable to resolve compliance concerns informally, we will consider taking formal enforcement action, where appropriate, taking into account Ofcom's enforcement guidelines.

¹²⁶ [Consumer Scotland response to the January Consultation](#), page 1.

4. Re-approval of the schemes under the Act

Purpose of this section

Under the Act, we are required to keep our approvals of the two schemes under review by assessing whether the schemes still satisfy the relevant approval criteria of accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability, non-discriminatory and consistency.

In summary

We are re-approving the schemes against the approval criteria set out under the Act. We are satisfied that both schemes are operating well and the differences between the schemes do not have a detrimental impact on consumers.

We set out the areas that we have agreed with schemes to improve the consumer experience and outcomes for consumers following the consumer research and case assessment findings undertaken as part of this review.

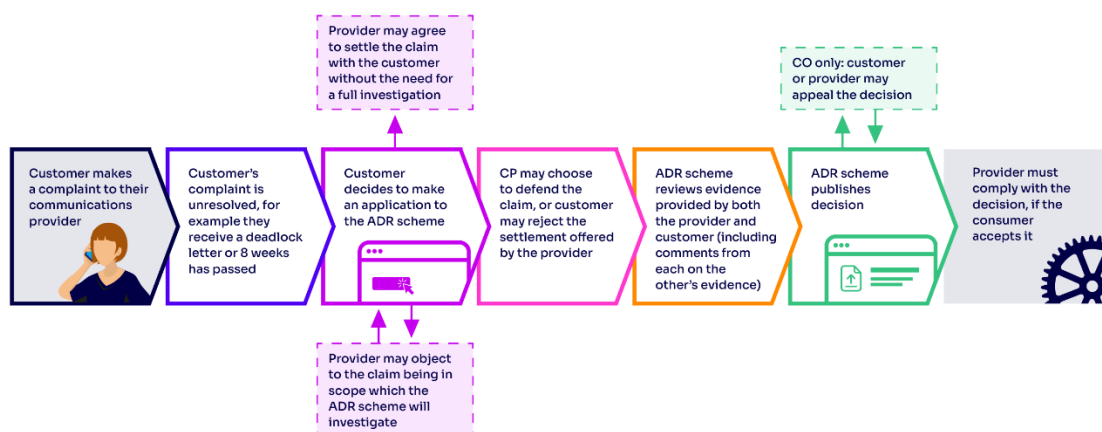
We also set out the changes we have made to update decision-making principles.

Background

- 4.1 In our January Consultation, we set out our findings on the consumer experience of the ADR process and our assessment on the transparency and oversight of the cases the schemes handle. We included our review of the 2012 decision-making principles and our provisional assessment of our re-approval of the schemes against the approval criteria.
- 4.2 Figure 2 provides a simple, high-level summary of the consumer journey through ADR. However, readers should refer to the regulatory framework (see Section 2) and the schemes' rules for more information.¹²⁷

¹²⁷ CISAS, 2025. [Communications & Internet Services Adjudication Scheme \(CISAS\) Scheme Rules](#). CO, 2025. [Terms of reference – communications sector](#).

Figure 2: Summary of the consumer journey through ADR



- 4.3 As part of this review, we have considered the consumer journey through the various stages of the schemes' processes, from when a case is first logged, to receiving a decision. This assessment includes a variety of cases from different categories, such as cases where early settlement was offered. While there are some differences identified in each of the schemes' processes, it is important that consumers receive fair treatment and consistent quality of service regardless of which scheme they are referred to. Some consumers will be taking a case to ADR for the first time, so it is important that they receive the appropriate guidance and support at different stages of the process. We monitor the schemes' performance primarily through a set of Key Performance Indicators (KPIs) we set for the schemes, which we publish on our website on a quarterly basis.¹²⁸

How we have assessed the schemes

- 4.4 Ofcom previously devised approval criteria, in line with sections 52(3) and 54(2) of the Act, and we have assessed the schemes' performance against these key areas when considering their reapproval under this review.
- 4.5 The approval criteria are accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability and non-discriminatory. In addition to these criteria, we will assess whether there is consistency between the two schemes in line with section 54(7)(b) of the Act. We stated in our January Consultation that we would look at our approvals of both schemes under the Act only and not under the ADR regulations. This is because the DMCC Act is revoking the ADR regulations.¹²⁹
- 4.6 In order for us to assess the schemes against the approval criteria, we commissioned
- A qualitative consumer research study which followed and monitored the consumer experience of using the schemes; and

¹²⁸ Ofcom, 2024. [ADR schemes' performance – last updated 23 April 2025](#).

¹²⁹ The Government is yet to set the date for commencement for this revocation. Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector, p.43](#).

- Lucerna to undertake a case review based on a sample of cases that were selected from both schemes.^{130 131} Definitions of the different case types, the stages of a case, and case outcomes that were considered as part of our research are included in the case review report.
- 4.7 We commissioned these reports to allow us to consider:
- consumers' ease of navigating the ADR process; and
 - whether consumers are receiving fair and consistent outcomes from both schemes.
- 4.8 We also had information the schemes made available to us, such as the guidance they provide to consumers, and we considered the schemes' performance against the KPIs. We had the information the schemes provided as part of the ADR Regulation re-approvals that we made in April 2024 to understand:
- if the schemes could be more transparent about the cases they handle; and
 - if Ofcom's oversight of ADR is incentivising good outcomes for consumers.

Summary of our research and case review findings

- 4.9 Our consumer research found most participants could navigate the ADR process easily and were satisfied with the process overall.¹³² Reasonable adjustments appeared to be in place for consumers who requested this and decision letters are well-written.¹³³ However, a small number of research participants found it burdensome to provide evidence when submitting a claim, and although most providers are complying effectively with their obligations to implement remedies, some felt this could be completed more quickly.¹³⁴
- 4.10 The findings of our case reviewing demonstrated that despite differences in how the schemes operate, consumers are, overall, receiving fair and consistent outcomes and these differences do not appear to have a material impact on outcomes for consumers.¹³⁵ Decision-making processes are fair, and schemes accept cases in line with published procedures.¹³⁶ The case review did highlight some minor concerns regarding how CO awarded certain elements of financial compensation in 8% of cases, indicating that some of these amounts were lower than expected.¹³⁷
- 4.11 Responses from both schemes to our information requests also demonstrated that schemes have a wide range of guidance that they provide to consumers who are accessing ADR and may require additional support or reasonable adjustments.¹³⁸
- 4.12 In our January Consultation, we assessed whether there could be any improvements to the transparency of information provided to us by schemes and our oversight of the cases

¹³⁰ Ofcom, 2024. [Understanding the Alternative Dispute Resolution \(ADR\) process – full report](#) and [summary report](#).

¹³¹ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review report](#).

¹³² Ofcom, 2024. [Understanding the Alternative Dispute Resolution \(ADR\) process, summary report](#), page 8.

¹³³ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review report](#), page 15 and page 26.

¹³⁴ Ofcom, 2024. [Understanding the Alternative Dispute Resolution \(ADR\) process, full report](#), slide 48.

¹³⁵ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review report](#), page 24.

¹³⁶ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review report](#), page 25.

¹³⁷ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review report](#), page 22.

¹³⁸ Ofcom analysis based on: Communication Ombudsman response to the statutory information request dated 3 May 2024; and (CEDR) CISAS response to the statutory information request dated 3 May 2024.

schemes handle. We continue to consider that our current arrangements with the schemes, where detailed monthly data sets are provided, give us timely insights into complaint trend and other information such as rates of signposting to ADR by providers.¹³⁹ We continue to engage with the schemes on a regular basis to explore the monthly data and help us to identify potential compliance concerns. However, schemes could improve the comparability and consistency of the data they publish and share with Ofcom and make the data they publish more insightful for consumers.¹⁴⁰

Assessment of the re-approval of the schemes

- 4.13 As explained at paragraph 4.4 and 4.5 above, we assess whether the schemes still satisfy the relevant approval criteria of accessibility, independence, fairness, efficiency, transparency, effectiveness, accountability, non-discriminatory and consistency.

Our January 2025 Consultation

- 4.14 In our January Consultation, we proposed to re-approve the schemes against the approval criteria set out under the Act. This is because we felt both schemes were operating well, and the research we commissioned indicated consumers were satisfied with the ADR process and schemes were delivering fair outcomes which indicated that, while there were differences between the schemes, these did not have a detrimental impact on outcomes for consumers. Where we identified a small number of improvements, we said we would work with both schemes informally, to implement changes that are designed to enhance the consumer experience and improve outcomes.¹⁴¹

Stakeholder responses

Provisionally reapproving the schemes

- 4.15 Most of the respondents agreed with our proposals to re-approve the schemes and supported our plan to work collaboratively with the schemes on minor improvements. FCS and Three expressed a positive experience of working with CO and felt the schemes facilitate continuous improvement in the ADR process by sharing best practice and discussing trends.¹⁴²
- 4.16 Community Fibre expressed concern that our assessment did not include the experience of providers, which meant we have not considered whether we can reduce the regulatory burden the schemes place on providers. It called for research to be conducted with providers to understand the reasons why some cases are settled prior to investigation, to see if this can be avoided, to reduce regulatory costs.¹⁴³
- 4.17 A couple of respondents expressed support for a single scheme, to guarantee consistency and aid consumer understanding of ADR or to ensure schemes adhere to the same legal

¹³⁹ The schemes also publish quarterly data on complaint trends on their respective websites.

¹⁴⁰ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), page 55.

¹⁴¹ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), pages 55 – 62.

¹⁴² [FCS response to the January Consultation](#), page 3; and [Hutchinson 3G UK Limited \(Three\) response to the January Consultation](#), page 2.

¹⁴³ [Community Fibre response to the January Consultation](#), page 3.

framework.¹⁴⁴ Allowing providers a choice on which scheme to join was felt to be at the detriment of the consumer as competition among ADR schemes to attract providers could lead to schemes offering incentives that may benefit providers but not consumers. Which? thought that our January Consultation did not consider how providers make the choice of which scheme to join however, it was acknowledged that our findings show somewhat consistent outcomes for consumers.¹⁴⁵ Only the Telecoms Advocate disagreed with the proposal to reapprove the schemes, on the grounds that the existence of two schemes creates an unnecessary division which benefits providers instead of consumers.¹⁴⁶ Community Fibre and Vodafone supported the existence of two schemes, believing this helps to drive competition in the sector, which would lead to improvements for both schemes and ultimately, better outcomes for providers and consumers.¹⁴⁷ Cuckoo Fibre Limited expressed support for an additional ADR scheme to be introduced, to increase choice for providers.¹⁴⁸

- 4.18 There was a general comment from INCA about wanting to see greater engagement from schemes with providers once the 8-week timeframe to access ADR has passed, suggesting regular meetings to facilitate this. It was felt that this would allow schemes to receive input from providers, to improve the quality of service and report any issues.¹⁴⁹
- 4.19 Which? felt the consultation did not specifically cover enforcement issues, referencing our duties under Section 54(2)(g) of the Act, which indicates Ofcom must be satisfied that dispute procedures enable awards of compensation to be properly enforced. Which? thought that ADR process has not always been effective at ensuring providers comply with decisions in a timely manner but acknowledged that both schemes do prompt providers after 28 days, where a resolution has not yet been implemented.¹⁵⁰ It is worth noting that our consultation explored whether providers are complying effectively with their obligations to implement remedies within the agreed timeframe, and emphasised the requirement under GC C4.3(b) for providers to comply with the ADR scheme, including abiding by any final decision within the time specified.¹⁵¹ The information we received from both schemes also indicated that most providers are complying with this obligation and details of remedy compliance provided by both schemes demonstrated that most providers carried out remedies within the agreed timeframe.¹⁵² The current level of non-compliance by providers to such decisions continues to be low, however, we will continue to monitor the situation. We have already asked schemes to report more regularly on non-compliance

¹⁴⁴ [Which? response to the January Consultation](#), page 5; and [The Telecoms Advocate response to the January Consultation](#), page 3.

¹⁴⁵ [Which? response to the January Consultation](#), page 5.

¹⁴⁶ [The Telecoms Advocate response to the January Consultation](#), page 5.

¹⁴⁷ [Community Fibre response to the January Consultation](#), page 4; and [Vodafone response to the January Consultation](#), page 3.

¹⁴⁸ [Cuckoo Fibre Limited response to the January Consultation](#), page 1.

¹⁴⁹ [INCA response to the January Consultation](#), page 5.

¹⁵⁰ [Which? response to the January Consultation](#), page 1.

¹⁵¹ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), pages 49-50.

¹⁵² Ofcom analysis based on: Communication Ombudsman response to the statutory information request dated 3 May 2024; and (CEDR) CISAS response to the statutory information request dated 3 May 2024.

to us. Where we identify potential compliance concerns, we will consider action in line with our enforcement guidelines.¹⁵³

- 4.20 Although this was not a specific response to our consultation question, Citizen's Advice Scotland (CAS) submitted an existing paper which formed part of their response to Government's initial consultation on consumer and competition reform, which fed into the DMCC Act.¹⁵⁴ This paper made references to the accessibility of ADR services and how most services are online since the pandemic. They felt there should be a minimum standard of accessibility for providers to use when working with vulnerable consumers and there should be a provision of different channels to ensure vulnerable consumers can access ADR services.

Comments on specific reapproval criteria

- 4.21 We received comments relating to some of the assessment criteria, which we have summarised below.
- 4.22 **Efficiency:** Community Fibre thought our assessment of schemes against efficiency criteria should focus on whether schemes are providing value for money for the industry and consumers, in addition to the quality of service and felt we did not present enough evidence to demonstrate this. It suggested a new KPI to be introduced that focuses on the average cost per case and whether this decreases over time.¹⁵⁵
- 4.23 **Transparency:** Some respondents called for greater transparency from both schemes in relation to publishing more qualitative information on the outcome of cases, so this can be viewed by the industry. Which? suggested that the decision-making process should be more transparent and used the Financial Ombudsman Service (FOS) as an example of how anonymised decisions are published in other sectors.¹⁵⁶ Community Fibre supported a comment made by Which? in their response to our CFI, where it suggested including details of the number of cases in the quarterly reports on complaint trends, that are published by both schemes on their websites to provide greater transparency on performance, as opposed to whole percentages which are presented by provider, with further breakdown based on the relevant case outcomes.^{157 158}
- 4.24 **Consistency:** Some respondents thought that there should be more consistency between schemes in relation to the Distress and Inconvenience (D&I) award amounts. Which? asked for more information on how we determined that the difference in D&I awards was non-detrimental to consumers as they felt this was a significant difference and should be considered as part of our decision to reapprove the schemes.¹⁵⁹ Which? pointed to our consumer research findings about participants searching websites not associated with the schemes for information on ADR, suggesting that schemes need to better inform consumers

¹⁵³ Ofcom, 2022. [Regulatory Enforcement Guidelines for investigations.](#)

¹⁵⁴ [Citizen's Advice Scotland response](#) to Department for Business, Energy and Industrial Strategy consultation on Reforming competition and consumer policy. [Accessed 9 June 2025].

¹⁵⁵ [Community Fibre response to the January Consultation](#), pages 4-5.

¹⁵⁶ [Which? response to the January Consultation](#), page 8.

¹⁵⁷ CISAS, [Reports](#). CO, [Complaints Data](#).

¹⁵⁸ [Community Fibre response to the January Consultation](#), page 4 and [Which? response to the 2023 CFI](#), page 6.

¹⁵⁹ Table 7 in the case review report indicated that the average award made by CO in this area was £107 and for CISAS, this was £183.

on how to access the process.¹⁶⁰ Cuckoo Fibre felt there should be more consistency in the approach of both schemes, including the schemes having guidelines in place on how they respond to cases, consistent award amounts, the right to appeal, and including providers in reviews relating to the outcome of complaints.¹⁶¹

Our assessment and decision

Re-approving the schemes

- 4.25 Based on our assessment, we believe the two schemes continue to meet the approval criteria. We are therefore re-approving both schemes without any conditions attached. We believe this decision is appropriate as our analysis of the information we have, which includes information from the schemes, consumer research and case review, indicates that the schemes are generally working well. We identified some minor areas that needed improvement and some differences between the schemes, such as the style of communication and the right to appeal a decision (CO only). However, we have worked with the schemes to implement the improvements and consider that the differences in the schemes did not result in detrimental outcomes for consumers.
- 4.26 We understand that Community Fibre thought the consultation should have included further consideration of the experiences of providers and the wider industry. As part of this review we have engaged with providers and considered their feedback throughout the review process and no specific issues were raised. Providers continue to have a choice of two schemes, which should provide an incentive for each scheme to be responsive to any concerns providers may raise. We want to ensure that schemes do work well and efficiently for providers and if material concerns are raised about the effective operation of either scheme we will explore these.
- 4.27 We address each of the approval criteria below and set out our updated assessment following careful consideration of stakeholder representations.

Accessibility – ensuring that consumers can access all relevant information and are given appropriate support and adjustments.

- 4.28 In our view, the schemes continue to meet the accessibility requirements as they both maintain up-to-date websites with information regarding the ADR process. We believe both schemes continue to have reasonable adjustment policies in place, which are available online and both schemes can provide information on the ADR process in an alternative format, if this is requested.¹⁶² To support those who cannot complete the process online, the schemes retain a range of different services to consumers to assist them with submitting a complaint, which includes telephone, email and letter.
- 4.29 Both schemes continue to have an independent assessor in place who can consider complaints about the case handling process, including where a complainant believes the

¹⁶⁰ [Which? response to the January Consultation](#), page 6.

¹⁶¹ [Cuckoo Fibre Limited response to the January Consultation](#), page 1.

¹⁶² This includes a published reasonable adjustment policy and dedicated contact details for the consumer to use, to request any adjustments.

scheme has not met the requirements of its own policies or did not provide an accessible service that appropriately met the needs of a consumer.

4.30 In our January Consultation, we identified improvements with the schemes under the accessibility criterion, which have since been incorporated.¹⁶³ CO have published more information online about the ADR process that relates to the appeals stage and improved the visibility of existing information about the process.¹⁶⁴ CO are also working to publish guidance on the different amounts of financial compensation that consumers can request. CISAS have published video guides for consumers to inform them about each stage of the process and introduced dedicated contact channels that can be used to request adjustments.¹⁶⁵

4.31 Our assessment is that both schemes continue to meet the criterion for accessibility as set out in the Act.

Independence – ensuring that schemes have appropriate governance processes, and their decision making is not unduly influenced.

4.32 The Act requires that the schemes are administered by those who are independent of both Ofcom and providers. Both schemes continue to have:

- robust processes and policies in place to ensure their members do not unduly influence decision-making
- measures to ensure ADR officials discharge their duties in a way that is not biased towards either party to the dispute
- rules to ensure any conflict of interest is disclosed and addressed.

4.33 The decision-making principles also include guidance which requires schemes to remain objective and give equal consideration to the word of the consumer and the word of the provider.

4.34 It is our view that both schemes continue to follow their published procedures, and this provides the necessary assurances of their independence.

4.35 Our assessment is that both schemes continue to meet the criterion for independence as set out in the Act.

Fairness – ensuring adjudications are of a high quality, and there are appropriate review points, staff are suitably trained and there are appropriate internal guidelines in place on how decisions should be reached in certain cases.

4.36 We set out the findings of the case review in detail in our January Consultation, in relation to fair outcomes.¹⁶⁶ We believe both schemes are continuing to deliver reasonable outcomes for consumers and the decision-making processes in place remain fair. There appears to be no systemic issues with how schemes conduct their decision-making.

¹⁶³ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), page 58.

¹⁶⁴ CO, 2025. [Resolve Communications Complaints | Communications Ombudsman](#). [Accessed 9 June 2025].

¹⁶⁵ CISAS, 2025. [Guidance Videos - CEDR](#). [Accessed 9 June 2025].

¹⁶⁶ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), pages 50 – 54.

- 4.37 As part of this criterion, schemes must ensure adjudications are of a high quality. Both schemes do this by operating appropriate points of review for cases and ensuring that staff are trained and there are appropriate internal guidelines in place for how decisions should be reached in certain cases.
- 4.38 Using the role of the independent assessor, schemes continue to have the opportunity to address any process flaws. This includes the independent assessor making recommendations in their annual reports for schemes to explore any decisions where fairness could be challenged.
- 4.39 Our assessment is that both schemes continue to meet the criterion for fairness as set out in the Act.**

Efficiency – the extent to which the schemes deal with complaints in a timely manner, to a high quality, and allocate resources appropriately.

- 4.40 We have set several KPIs for the schemes to help us to monitor if they are operating efficiently. We have decided to make some amendments to the KPIs to incentivise the best outcomes for consumers. We set out the changes we make in greater detail in Section 5.
- 4.41 We explained in our January Consultation that both schemes have met and exceeded the current KPIs for at least the last two years and continue to meet these KPIs. We acknowledged that during this period CO has experienced higher case volumes than in previous years, as well as spikes in complaints levels, but has still managed to meet and exceed the KPIs. We continue to believe both schemes have sufficient processes in place to deal with high case volumes (for example, the ability to bring in extra staff) in the future, should they arise.
- 4.42 We note Community Fibre’s comments on our assessment of efficiency. We are satisfied that both schemes are meeting this criterion. The existence of two schemes means that providers can choose which scheme to join and are able to switch between schemes, which can create an incentive for the schemes to operate as efficiently as possible and offer better services to providers. Although we have not undertaken an assessment of the schemes’ operational costs, we have looked at information both schemes shared with us on fee structures, and we note that settled case fees are lower than adjudicated case fees, which provides an incentive for providers to resolve a complaint as early as possible before they reach the adjudication stage. Providers are also able to negotiate individual rates with schemes. We will continue to monitor both schemes through our ongoing monitoring programme and will discuss this issue should any further concerns be raised by stakeholders. In relation to Community Fibre’s suggestion to introduce an additional KPI based on average costs per case to each scheme to monitor efficiency, we consider that such a KPI would be too simplistic given the range of complaints and the different levels of complexity involved in different cases. This would undermine the comparability of such a measure.
- 4.43 We also note Community Fibre’s call for additional research to be conducted with providers to explore the reasons why cases are settled prior to investigation. Under sections 52(3) and 54(2) of the Act, we have a specific duty and, in this case, to ensure that dispute procedures are easy to use, transparent, non-discriminatory and effective, alongside the other approval criteria, and we consider the schemes are meeting this by allowing the

option for cases to be settled. Also, providers currently have the ability to resolve a case prior to the consumer accessing ADR. This could include an agreement with the consumer that more time is allowed to resolve complex disputes before accessing the ADR process, which would be beneficial for both consumers and providers. We do not view this as an adverse option as it can cost less for providers and can often lead to swifter resolution for consumers, compared to full adjudication.

4.44 In light of the above, our assessment is that that both schemes meet the requirements of the efficiency criterion.

Transparency – the extent to which decisions and the decision-making process is made clear to all parties.

4.45 We continue to review the range and quality of data provided to Ofcom through our ongoing monitoring of both schemes, and the data that is published, to see if the schemes are sufficiently transparent in relation to the data they publish and share with Ofcom. In our January Consultation, we noted that the data published by schemes is not always consistent or comparable.¹⁶⁷ We said we would work with the schemes to improve this by further standardising the monthly datasets they provide to Ofcom and to address the inconsistencies in the way complaints are categorised in the quarterly data published on their websites.¹⁶⁸

4.46 We note that Which? and Community Fibre called for greater transparency in relation to the data that schemes publish on their websites to ensure it is as informative as possible. We considered the suggestion to provide further breakdown for published information on the number of cases as opposed to whole percentages based on each provider and the relevant case outcomes. In our view, publishing this could potentially be misleading to consumers due to the difference in the number of complaints handled by larger providers. As an alternative, have asked schemes to publish the change in case volume percentages each quarter, broken down by provider, as additional information to aid transparency. We have also asked CO to publish their data in a different format on their website to improve the clarity of the information.¹⁶⁹

4.47 As part of our on-going monitoring of the schemes, we are also planning to monitor decisions and the quality of decision letters quarterly to ensure that they are clearly written. We consider this is more proportionate than requiring both schemes to publish all decisions in an anonymised format online.

4.48 Transparency includes the extent to which the decision-making process is clear to both consumers and providers. As part of the case review, we considered whether schemes' processes reflect the published procedures on their websites, including their scheme rules. Findings of the case review indicated that there were no concerns with schemes not following their published procedures.

4.49 Based on these changes, it is our view that both schemes are adequately transparent in relation to the data they publish and share with Ofcom and ensuring decision-making

¹⁶⁷ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), pages 54 – 56.

¹⁶⁸ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), page 60.

¹⁶⁹ Ofcom/CO meeting notes, 2 April 2025.

processes are clear to both providers and consumers. Both schemes continue to meet the transparency criterion.

Effectiveness – ensuring that the schemes have appropriate procedures in place and are accepting cases in line with their procedures.

- 4.50 The case review findings we set out in the consultation indicated that both schemes are accepting cases in line with their procedures, and we believe they continue to do this.¹⁷⁰ Both schemes also address non-compliance in their Scheme Rules or Terms of Reference and have taken steps to strengthen the language around this, to remind providers of their obligations which includes compliance with remedies and providing evidence to support their position.
- 4.51 Both schemes continue to have appropriate processes in place using their case management systems (CMS) and other channels of communication such as meetings and newsletters, to ensure providers are aware that they are required to update the schemes on how they are complying with decisions. This includes additional prompts and reminders about compliance and carrying out remedies within the agreed timeframe. The schemes noted that they will continue to work with providers to remind them of these requirements, where needed. Both schemes have also confirmed that they will continue to explore how they can build consumer awareness on the types of evidence/supporting information needed and why this is requested at the initial eligibility stage.¹⁷¹
- 4.52 **Our assessment is that both schemes meet the criterion for effectiveness as set out in the Act.**

Accountability – reviewing the schemes’ performance against existing KPIs and examining the level of reporting against KPIs to Ofcom.

- 4.53 Both schemes continue to report on their performance against the KPIs, and this information is published on our website every quarter. Both schemes continue to meet the KPIs, and in our view this remains to be a useful mechanism for holding the schemes to account. In Section 5, we set out the changes we plan to make to the KPIs to ensure schemes are incentivised to deliver good outcomes.
- 4.54 The Act also provides Ofcom with the right to launch a review of either scheme should it have concerns regarding either scheme’s performance. We also have a process in place to deal with any instances where a scheme misses a KPI for two successive quarters. We will continue to review and discuss with both schemes any complaints our Corporate Complaints Team (CCT) receives about them, which helps us to identify and resolve any potential issues or problems with the schemes in a timely manner.
- 4.55 Both schemes continue to operate robust internal complaints procedures that include the role of an independent assessor, who can review service complaints if the schemes are unable to resolve to the consumer’s satisfaction. Key findings are included in the independent assessor’s yearly report which are published online.

¹⁷⁰ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), pages 52 – 53.

¹⁷¹ Ofcom/CO meeting notes, 2 April 2025 and Ofcom/CISAS meeting notes, 2 April 2025.

4.56 Our assessment is that both schemes meet the criterion for accountability as set out in the Act.

Non-discriminatory – not discriminating against or in favour of consumers and small businesses or providers in making decisions.

4.57 In our January Consultation, we set out the findings from the case review which indicated that there were some differences between both schemes, in particular, a small number of CO cases were identified as having lower financial awards compared to what is awarded by CISAS.¹⁷² We do not consider the difference between the schemes is resulting in poor consumer outcomes, or discriminatory treatment of any particular parties. However, we have asked CO to conduct further work internally to understand why this is the case and to investigate if there are any actions that can be taken to further ensure consistency between the schemes.^{173 174}

4.58 Our assessment is that both schemes continue to meet the criterion to be non-discriminatory, as set out in the Act.

Consistency¹⁷⁵

4.59 The case review findings, which we commissioned from Lucerna, found that the differences between the schemes do not amount to a material detriment for consumers, and both schemes were delivering the right outcomes in most cases.¹⁷⁶

4.60 We note Which? asked for further clarity on why we thought the difference in D&I award amounts between both schemes did not amount to a major difference. As most cases were found to be appropriately awarded, we believe this indicates that schemes are, on the whole, reaching the same outcomes. Since the consultation, we have worked with CO to understand the additional work they are undertaking to assess the level of D&I payments they are awarding and how this compares to other regulatory bodies. We will continue to receive updates on this.¹⁷⁷

4.61 Which? also suggested schemes should better inform consumers, citing our consumer research that found some participants searched websites not affiliated with both schemes for information. In our view, the actions schemes have taken under accessibility will ensure further information for consumers is available online.

4.62 In relation to Citizen’s Advice comment to introduce a KPI to monitor consistency, we do not consider this to be proportionate, as both schemes are mostly performing well. We note that both schemes are producing consistent outcomes, and we explain in paragraphs 4.57 and 4.60 the steps CO are already taking to understand why their D&I payments are lower than CISAS. Therefore, introducing more regular reporting through an additional KPI

¹⁷² Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), pages 53 – 54.

¹⁷³ We set out further information on this under our assessment of the consistency criterion.

¹⁷⁴ Ofcom/CO meeting notes, 2 April 2025.

¹⁷⁵ In addition to the criteria, the Act requires Ofcom to have regard to the need to ensure consistency between both schemes. We have assessed this by taking into account appropriate internal guidelines in place, and whether the differences between the schemes are having a detrimental impact on consumer outcomes.

¹⁷⁶ Lucerna, 2024. [Alternative Dispute Resolution \(ADR\) case review report](#), page 24.

¹⁷⁷ Ofcom/CO meeting notes, 2 April 2025.

would be unlikely to provide any additional insight into whether the schemes are consistent. We also have a duty to ensure that our regulatory action is targeted only at cases where this is needed.

- 4.63 We have thoroughly assessed the two schemes as per the criteria under the Act, and it is appropriate to reapprove both.
- 4.64 **Our assessment is that both schemes meet the requirement of being adequately consistent in terms of outcomes reached, as set out in the Act.**

Decision-making principles

- 4.65 Following the 2012 ADR Review, both schemes were re-approved with the introduction of principle-based guidelines to decision-making, as a condition of re-approval. We refer to these as the decision-making principles. Both schemes adopted these guidelines and are asked to consider them as part of their approach to making certain types of decisions and compensation payments.
- 4.66 The guidelines consist of eleven guiding principles, nine points on decision guidelines and five guidance points relating to compensation.

Our January 2025 Consultation

- 4.67 We proposed a number of detailed changes to the decision guidelines.¹⁷⁸

Stakeholder responses

Overall changes

- 4.68 Most of the respondents who answered this question agreed with our changes and thought it reduced repetition and overlap with reapproval criteria. CO thought the changes were sensible and BT agreed with the changes in language as it ensures both parties must provide evidence, which is fair and balanced.¹⁷⁹
- 4.69 The Telecoms Advocate partially agreed with the changes but thought the principles did not go far enough to ensure fairness, transparency and consistency across decisions and felt there were inconsistencies in decisions due to different interpretations, a lack of transparency in how decisions are made, and potential bias towards providers, by schemes, when evidence is considered as part of a case.¹⁸⁰
- 4.70 Which? thought there was a case to make changes to the principles but did not agree with our specific changes, as they felt the rationale for making changes was not referenced in the consultation document.¹⁸¹

Specific changes to the decision-making principles and guidelines

- 4.71 Which? thought the consultation did not state how or why we have decided to reduce the number of principles and is concerned removing them could disincentivise good practice by

¹⁷⁸ Ofcom, 2025. [Consultation – Review of ADR in the telecoms sector](#), Annex 6.

¹⁷⁹ [CO response to the January Consultation](#), page 2; and [BT response to the January Consultation](#), page 3.

¹⁸⁰ [The Telecoms Advocate response to the January Consultation](#), page 6.

¹⁸¹ [Which? response to the January Consultation](#), pages 6 - 9.

schemes to learn from their performance. They felt the changes to point i) which replaced 'fairly' with 'equally' and removing 'unduly' were ambiguous and did not guarantee equal treatment in a positive manner to both providers and the consumer.¹⁸²

- 4.72 Citizens Advice felt removing 'measured performance' would be a concern if it negatively impacts the performance data that we collect, but did concede this would be unlikely due to the changes we are also making to KPIs.¹⁸³
- 4.73 The Telecoms Advocate recommended that we fully standardise the principles to prevent discrepancies, that clearer guidance on how evidence is assessed should be published by schemes to aid transparency, and that there should be an independent review panel to review complex cases to ensure they are handled fairly.¹⁸⁴
- 4.74 ACNI recommended introducing a principle based on 'clarity of communication' to cover that decisions must be communicated in plain and accessible language, especially for vulnerable consumers.
- 4.75 Citizens Advice felt the changes should be monitored to ensure the removal of 'measured performance' does not impact how we monitor the schemes, although it was acknowledged our existing KPIs will likely mitigate against any negative impacts.¹⁸⁵ Which? also called for the decision-making principles to be routinely monitored and referenced their support for this since their introduction through the 2012 Review. They highlighted that adherence to these principles were not referenced in the Scheme Rules or Terms of Reference for the schemes or the Ofcom approved code of practice on complaints.¹⁸⁶

Specific changes to the compensation guidelines

- 4.76 Some respondents wanted additional guidance on how compensation policies were applied or felt the proposed wording alone did not provide clarity. BT wished to see further guidance on how compensation policies should be applied, as it felt changes may lead to consumers claiming higher amounts which could inflate consumer expectations of compensation amounts, placing emphasis on schemes aligning with industry standards to avoid unrealistic consumer expectations.¹⁸⁷ Cuckoo Fibre Limited wanted more detail on published policies on award amounts and compensation to be available and consistent between schemes.¹⁸⁸
- 4.77 Citizens Advice felt both proposed and previous sets of wording should apply as the proposed wording can improve consistency, while the existing wording on compensation also improves transparency.¹⁸⁹ Which? thought the existing text had more detailed points for decision makers to consider whereas the proposed text is more generic and unhelpful for consumers, as it would not provide them with enough detail on what they should do next, which they believe consumers will need information on.¹⁹⁰

¹⁸² [Which? response to the January Consultation](#), page 7.

¹⁸³ [Citizens Advice response to the January Consultation](#), page 4.

¹⁸⁴ [The Telecoms Advocate response to the January Consultation](#), page 6.

¹⁸⁵ [Citizens Advice response to the January consultation](#), page 4.

¹⁸⁶ [Which? response to the January Consultation](#), page 7.

¹⁸⁷ [BT response to the January Consultation](#), page 3.

¹⁸⁸ [Cuckoo Fibre Limited response to the January Consultation](#), page 2.

¹⁸⁹ [Citizens Advice response to the January Consultation](#), page 4.

¹⁹⁰ [Which? response to the January Consultation](#), page 8.

Our assessment and decision

- 4.78 We will continue with most of our proposed changes to the decision-making principles. We note Which? felt our rationale for making changes was not included in our January Consultation. We do mention in paragraph 4.98 of our consultation that some changes are due to duplication with the approval criteria under the Act.
- 4.79 Other changes include minor changes to specific wording and alternative wording for awarding compensation to ensure schemes apply their compensation policies consistently. These changes would improve the consistency between both schemes in relation to awarding compensation.
- 4.80 Many respondents agreed that the changes would streamline the principles and prevent repetition with the guidance set out under the Act.
- 4.81 All changes to the decision-making guidelines are set out in Annex 2 of the Statement.

Specific changes to the decision-making principles and guidelines

- 4.82 Some respondents expressed concerns about reducing the number of principles. We believe removing these principles is proportionate as this is mitigated through the reviews we are required to undertake as part of the Act. We also have KPIs in place to ensure we are monitoring the performance of both schemes regularly against measurable outcomes. It is worth noting that some stakeholders acknowledged that robust monitoring of KPIs will mitigate against a potential reduction in the quality or quantity of performance data.
- 4.83 We acknowledge the point made by Which? in relation to the minor changes to point i) and we will retain the original wording to ensure this can be interpreted clearly. Point v. of the principles also require schemes to give equal consideration to both parties.¹⁹¹ However, exploring the practical impact of these changes on quality of decision making as a one-off intervention would be disproportionate given the light touch changes. As an alternative, we can use our ongoing meetings and engagement with the schemes as a way of monitoring of the principles. This would include actions such as reviewing complaints data about the schemes from our Corporate Complaints Team and the schemes themselves, and periodically reviewing the ADR schemes, which we are required to do under the Act.
- 4.84 It is unclear what is meant by the Telecoms Advocate when referring to standardising the principles, as both schemes are expected to follow the same set of principles. In relation to their comment relating to potential bias on how schemes consider evidence from providers, it is important to note that improvements have already been identified with schemes to ensure that providers understand what types of evidence they should supply to support their position.¹⁹²
- 4.85 We do not consider it is appropriate to introduce new principles such as ‘clarity of communication’ which was suggested by ACNI, as improvements identified under specific criteria, such as accessibility, will address minor issues around information and decision letters.

¹⁹¹ v. Give equal consideration to the word of the consumer and the word of the CP.

¹⁹² This is identified under the reapproval criteria of ‘efficiency’.

Our monitoring of the decision-making principles and guidelines

4.86 A small number of respondents called for routine monitoring against these principles. We mention in our January Consultation that both schemes already consider them as part of their decision-making, which indicates that both schemes are adhering to the principles. On that basis, we do not consider it is proportionate to introduce routine monitoring. As we are confident the improvements we have identified as part of this review will lead to positive outcomes, we believe it is proportionate to continue monitoring the schemes' performance against these principles internally.

4.87 We also considered how the schemes were performing against the principles in the 2017 ADR Review, which also found that decision-making by both schemes continued to improve due to these principles being in place.¹⁹³ It is important to remember that the principles serve as a guide to aid decision making and should not be the only document schemes should use, to ensure we are not prescribing their approach to cases.

We consider the comment from Which? suggesting that schemes integrate the principles into their Scheme Rules or Terms of Reference to be a proportionate suggestion. We have discussed this with both CO and CISAS, who have acknowledged to Ofcom that they already adhere to the 2012 principles in their relevant frameworks. The schemes mentioned to Ofcom that they will adhere to any future updates made to the 2012 principles in their relevant frameworks by the end of 2025.¹⁹⁴

Specific changes to the compensation guidelines

4.88 We note that several respondents wanted further information on compensation. We have asked both schemes for more information on how their policies are applied. CISAS have confirmed all their compensation guidance is already online and in their guidance notes, with nothing internal that they use to aid decisions on compensation.¹⁹⁵ CO also have information online regarding compensation, in addition to internal compensation guidance that is available for staff.¹⁹⁶ We consider the existing information available for consumers on compensation to be sufficient.

4.89 We acknowledge that respondents thought the proposed wording alone, alongside the removal of the text identifying what should be clearly expressed by a decision-maker when making an award, would not provide sufficient guidance. On reflection, we will include both sets of wording for compensation as both the previous wording and proposed wording provide important guidance for schemes.

4.90 Some stakeholders requested that more information for consumers be included in the principles. It is important to recognise that the principles are predominantly for schemes to use on decisions about compensation, as opposed to directing consumers about compensation and next steps. The principles also provide transparency to both the consumer and provider. As part of the improvements under the accessibility criterion, we consider both schemes have taken sufficient steps to improve the visibility of information

¹⁹³ Ofcom, 2017. [Statement - Review of Ofcom's approval of Alternative Dispute Resolution Schemes](#), page 28.

¹⁹⁴ Ofcom/CO meeting, 24 April 2025 and Ofcom/CISAS meeting, 28 April 2025.

¹⁹⁵ CISAS, 2025. Guide to Compensation for Inconvenience and Distress, accessible at: [CISAS-Guide-to-compensation-for-inconvenience-and-distress-Oct21.pdf](#). [Accessed 18 June 2025].

¹⁹⁶ CO, 2025. [FAQs | Communications Ombudsman](#). [Accessed 9 June 2025].

and to add more guidance in different formats. This is because there is already a lot of existing information online for consumers about the process and compensation, as well as dedicated contact channels for consumers to engage with schemes on this, and it is easily located or available upon request.

Summary of our decision

4.91 We will continue with most of our changes to the decision-making principles apart from the following points:

- Retain the previous wording in the decision guidelines in A6.3, point i.
*“Be able to demonstrate that they have treated the CP and the consumer **fairly** so neither is **unduly** disadvantaged”*
- Retain the existing wording under compensation guidelines in A6.5 and include the proposed wording.

Pre-requisites for making an award.

With all types of compensation awarded the decision-maker should clearly express:

- i. What breach has triggered the award
- ii. Why this breach is sufficient to justify an award
- iii. Factors affecting the size of the award
- iv. The precise level of the award

ADR schemes must have the appropriate policies in place regarding compensation levels. Schemes must apply these policies consistently and provide internal guidance to staff on how such policies should be interpreted.

5. Setting effective KPIs

Purpose of this section

In this section, we review the responses we received from stakeholders on our plans to update and strengthen the Key Performance Indicators ('KPIs') we set for the schemes and our plans to improve our oversight of customer satisfaction with the ADR process. We also set out the decisions we have reached with regards to the proposals in the January Consultation.

In summary

- Respondents were supportive of our proposals in relation to the KPIs, including the introduction of a digital correspondence KPI. We have decided to implement the changes to the KPIs as set out in the January Consultation.
- Respondents supported our proposals to improve our oversight of customer satisfaction with the ADR schemes, but some respondents thought we should introduce a customer satisfaction KPI. Having considered the feedback received, we have decided to proceed with the proposals we set out in the January Consultation.

Background

- 5.1 We monitor the performance of each scheme primarily through a set of KPIs we set for the schemes, which we publish on our website on a quarterly basis.¹⁹⁷ These KPIs help Ofcom to monitor how responsive the schemes are in their communications with consumers and to ensure that the schemes are resolving cases as quickly as possible, incentivising fair outcomes for consumers. These KPIs also provide assurances to consumers that their complaints will be dealt with in a timely manner, which can help build consumer confidence in the ADR process.
- 5.2 The KPIs were first introduced as a recommendation for best practice in the 2005 ADR Review to increase transparency and help Ofcom to monitor the schemes' performance in key areas.¹⁹⁸ As set out in Section 4, transparency is one of the criteria we must be satisfied is met when approving the schemes under section 54(2)(b) of the Act.
- 5.3 Both schemes have consistently met and exceeded the KPIs over the past two years. However, we do have an established process in place to deal with instances where a scheme fails to meet a KPI.¹⁹⁹

¹⁹⁷ Ofcom, 2024. [ADR schemes' performance](#).

¹⁹⁸ Ofcom, 2005. [Ofcom Review of Alternative Dispute Resolution Schemes](#) – report and draft recommendations, page 36.

¹⁹⁹ If a scheme misses a KPI for two successive quarters, formal engagement with Ofcom is triggered and it could potentially lead to the launch of a formal review of the scheme's approval.

Proposed changes to the KPIs

- 5.4 The KPIs are critical to Ofcom's oversight of the schemes. In the January Consultation, we reviewed the KPIs, which have not changed substantially since they were introduced, to see if they are still focused on the right areas and set at appropriate levels.

The January Consultation

- 5.5 In the January Consultation we set out our view that the KPIs are broadly focused on the right areas, but some KPIs are not set at the right levels and should be adjusted to more accurately reflect the schemes' performance in key areas, encourage the schemes to improve their performance (where possible) and enhance our oversight of the schemes. As part of this, we proposed introducing a digital correspondence KPI to ensure the schemes are responding to emails and CMS messages as quickly as possible. The table below outlines the proposed changes to the KPIs.

Figure 3: Summary of proposed changes to the KPIs

Current KPIs ²⁰⁰	Proposed changes
More than 80% of calls to be answered in less than two minutes	More than 85% of calls to be answered in less than two minutes
More than 90% of calls to be answered in less than five minutes	More than 95% of calls to be answered in less than five minutes
100% of written correspondence to be replied to within 10 days	90% of digital correspondence to be replied to within 3 working days
	100% of written correspondence to be replied to within 10 working days
More than 90% of case decisions to be issued within six weeks of the case being accepted	More than 95% of case decisions to be issued within six weeks of the case being accepted
Less than 1% of case decisions to be issued later than 8 weeks after the case has been accepted ²⁰¹	Less than 1% of case decisions to be issued later than 8 weeks after the case has been accepted

- 5.6 We also proposed giving the schemes three months, from the date our statement is published, to implement and report against the new KPIs.

Stakeholder responses

- 5.7 There was broad support for our proposed changes to the KPIs from a range of stakeholders including communications providers, like BT²⁰² and Three,²⁰³ and consumer groups, such as

²⁰⁰ The KPIs which we set for CISAS and CO can be found on our [website](#).

²⁰¹ It should be noted that due to the schemes' differing processes, the decisions issued for CISAS represent its final decision whereas, for CO, it represents the point at which an initial decision is issued.

²⁰² [BT Group response to the January Consultation](#), page 3.

²⁰³ [Hutchison 3G UK Limited \(Three\) response to the January Consultation](#), page 2.

Citizens Advice,²⁰⁴ Consumer Scotland²⁰⁵ and Which?,²⁰⁶ who welcomed the introduction of a new digital correspondence KPI as a positive addition and improvement.

- 5.8 Both ADR schemes also expressed support for our proposals with CISAS noting that the new KPIs provide appropriate standards for what users of ADR are entitled to expect and CO commenting that they are confident in their ability to deliver a service over and above the proposed KPIs.^{207 208}
- 5.9 It is worth noting that no respondents objected to our proposals. However, some concerns were raised around the proposed three-month implementation period. INCA argued that six months may be necessary for a full and proper implementation.²⁰⁹ CO commented that they need to review and scope the potential work required to enable them to report on response times for digital correspondence as it may require some technical changes to their systems.²¹⁰
- 5.10 Federation of Communication Services (FCS) suggested that the KPIs should be produced showing results for consumers and small business customers separately to understand if any differences between the two groups exist.²¹¹ The Telecoms Advocate commented that we should conduct regular post implementation reviews to assess if the updated KPIs are driving real improvements.²¹²

Our assessment and decision

Call answer times KPIs

- 5.11 In the January Consultation we proposed tightening the existing call answer time KPIs, with the expectation that the schemes should answer 85% of calls within two minutes and 95% of calls within five minutes.
- 5.12 We highlighted that CISAS regularly answers 99% of calls within two minutes which means any proposed changes to the KPI will mainly affect CO.²¹³ While CO usually answers more than 80% of calls within two minutes, we recognised that CO's higher call volumes and more proactive approach to telephone contact with consumers means that CO faces specific challenges in improving their performance against this KPI.²¹⁴ However, we argued that there is scope for CO to increase the percentage of calls they answer within two minutes, which would improve the experience for consumers.
- 5.13 In relation to the five-minute call answer time KPI, where both schemes easily exceed the 90% target, we considered the value in retaining this KPI.²¹⁵ We stated our view that it

²⁰⁴ [Citizens Advice response to the January Consultation](#), page 4.

²⁰⁵ [Consumer Scotland response to the January Consultation](#), page 3.

²⁰⁶ [Which? response to the January Consultation](#), page 9.

²⁰⁷ [Centre for Effective Dispute Resolution \(CEDR\) response to the January Consultation](#), page 2.

²⁰⁸ [Communications Ombudsman response to the January Consultation](#), page 2.

²⁰⁹ [INCA response to the January Consultation](#), page 4.

²¹⁰ [Communications Ombudsman response to the January Consultation](#), page 2.

²¹¹ [FCS response to the January Consultation](#), page 3.

²¹² [The Telecoms Advocate response to the January Consultation](#), page 7.

²¹³ Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 67.

²¹⁴ Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 67.

²¹⁵ Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 67.

would be useful to retain this KPI as a backstop protection and tighten it to 95% to more accurately reflect the schemes' performance in this area, which will help Ofcom to ensure that most consumer calls to the schemes are answered in a timely manner.

- 5.14 We have decided to maintain the proposal set out in the January Consultation that the schemes should answer 85% of calls within two minutes and 95% of calls within five minutes.**

Written correspondence KPIs

- 5.15 We identified in the January Consultation that the existing written correspondence KPI, which groups both postal and digital correspondence together, does not reflect the schemes' processes for dealing with different types of correspondence.²¹⁶
- 5.16 To account for this difference, we proposed the introduction of a new KPI for digital correspondence (to include email and CMS correspondence) and considered that the schemes should aim to respond to 90% of online correspondence within three working days. We proposed the target of 90% to ensure that tighter correspondence targets do not come at the expense of the quality of communications and to allow the schemes the necessary time to respond to more complex queries.
- 5.17 Due to the length of time that it takes the schemes to process letters and external factors that may cause delays in the delivery of letters, we proposed maintaining the 10-day target for responding to 100% of all written correspondence (whether postal or digital). We reasoned that this would provide a backstop protection to ensure any digital correspondence not dealt with within the target of three working days will have to be responded to within 10 working days.
- 5.18 We have decided to maintain the proposal set out in the January Consultation that the schemes should respond to 90% of digital correspondence within three working days and 100% of all written correspondence within 10 working days.**

More than 90% of case decisions reached within six weeks of the case being accepted

- 5.19 We recognised in the January Consultation that the existing KPI may no longer be set at the right level to reflect the schemes' performance in this area, as both schemes regularly meet and exceeded the current target of 90% by some distance.²¹⁷
- 5.20 We considered maintaining the 90% target but reducing the number of weeks in which the schemes must achieve this target (e.g. four weeks instead of six weeks). However, a high proportion of case decisions are issued between weeks five and six and reducing the six-week timeframe could reduce the time consumers and providers have to provide and respond to evidence. We stated our concerns that reducing this timeframe could come at the expense of consumers, by giving them less time to submit and respond to evidence, and potentially put consumers at risk of receiving a poorer service due to the schemes having to rush decisions to meet a four-week target.
- 5.21 Instead, we proposed increasing the percentage of cases the schemes must resolve within six weeks from 90% to 95%. While changing the level of this KPI would not necessarily lead

²¹⁶ Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 68.

²¹⁷ Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 70.

to consumers getting a quicker outcome as both schemes are already issuing case decisions within six weeks for more than 95% of cases, we reasoned that increasing the level of the KPI to 95% would more accurately reflect the performance of the schemes in this area and give consumers confidence about the speed in which a decision is likely to be made.

- 5.22 We have decided to maintain the proposal set out in the January Consultation that more than 95% of case decisions should be reached within six weeks of the case being accepted.**

Less than 1% of case decisions to be issued later than eight weeks after the case has been accepted

- 5.23 In the January Consultation, we noted that both schemes have met this KPI for the past eight quarters but recognised CISAS' concerns that a spike in complex cases or an increase in the number of consumers requiring reasonable adjustments could make it difficult for them to achieve the <1% target.²¹⁸
- 5.24 We reviewed the data the schemes share with us monthly on the number of consumers who have requested a reasonable adjustment, and found this number has remained relatively stable for the past two years. We therefore proposed maintaining the level of this KPI at less than 1% of case decisions to be issued later than eight weeks after the case has been accepted.
- 5.25 We also noted that the schemes can raise any concerns that they may have about missing a KPI due to an influx of complex cases, or because more consumers require additional support during our regular engagement with them.
- 5.26 We have decided to maintain the proposal set out in the January Consultation that less than 1% of case decisions should be issued later than eight weeks after the case has been accepted.**

Implementation period and other comments

- 5.27 With regards to the concerns raised about the length of the implementation period, we have engaged with CO, and they have now confirmed that technical changes to their systems will not be required to report against the new digital correspondence KPI and that the three-month implementation period is achievable. Given that both schemes feel that the proposed implementation period is sufficient, we do not consider there is a need to extend the implementation period to six months.
- 5.28 We have considered the point raised about producing the KPIs separately for consumers and small business customers and sought further information from the schemes to understand if any differences exist between the two groups. Over the past four quarters (Q2 2024 – Q1 2025) there has been little variation in how residential and small business cases perform against the case decision KPIs (e.g. more than 90% of case decisions reached within six weeks of a case being accepted and less than 1% of case decisions to be issued

²¹⁸ Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 72.

later than eight weeks after the case has been accepted).^{219 220} This confirms our understanding that complaints escalated to ADR by individuals and small businesses are dealt with in the same way and follow the same customer journey. Furthermore, between April 2024 – April 2025 small business cases accounted for around 7% of CISAS cases and 12% of CO cases.²²¹ Given that we found no major differences between the two groups in relation to the KPIs, and the relatively small proportion of business cases dealt with by the schemes, we do not consider it would be proportionate to ask the schemes to report on small business customers separately.

- 5.29 With regards to the call for a post implementation review to assess the impact of the KPIs, we will keep the KPIs under review as part of our regular engagement with the schemes which includes the quarterly publication of the KPIs, and as part of the next ADR review.

Improving our oversight of consumer satisfaction

- 5.30 In the January Consultation we considered options for improving Ofcom’s oversight of customer satisfaction with the ADR schemes.

The January Consultation

- 5.31 We noted that both schemes regularly assess customer satisfaction levels internally, although they have different approaches to the collection and publication of this information.²²²
- 5.32 We also recognised that there is a strong correlation between case outcome and customer satisfaction levels, which can make it difficult to distinguish customer service issues from issues where the consumer is unhappy with the outcome of their case.
- 5.33 We considered introducing a new customer satisfaction KPI based on criteria set by Ofcom to improve our oversight in this area, but considered this would not be proportionate as we regard the customer satisfaction data that the two schemes currently collect as reliable, and our analysis did not indicate deep-rooted issues that would justify a complete overhaul of the schemes’ approach to monitoring customer satisfaction levels.
- 5.34 While we did not think it proportionate to introduce a new KPI, we did consider that it would be helpful to have more harmonisation of the customer satisfaction data the schemes collect to allow for more efficient monitoring and oversight of the schemes’ performance. We also considered that there would be benefits to having both schemes publish this information on their websites, as visibility of customer satisfaction data may help build consumer trust in the ADR process and could also help inform providers’ decisions on which scheme to sign up for.

²¹⁹ CISAS response dated 23 May 2025 to our email dated 22 May 2025; and CO response dated 5 June 2025 to our email dated 22 May 2025.

²²⁰ The schemes were unable to retroactively distinguish between residential and small business consumers in their reporting against the call answer times KPIs and the written correspondence KPIs.

²²¹ CISAS monthly activity report, April 2025; and CO monthly activity report, April 2025.

²²² Ofcom, 2025. [Review of ADR in the telecoms sector](#), page 73.

- 5.35 We therefore proposed to work with the schemes to harmonise and improve the consistency of their customer satisfaction data and request that they publish this information on their respective websites.

Stakeholder responses

- 5.36 Respondents were mainly supportive of our proposals to improve our oversight of customer satisfaction with the schemes. BT commented that publishing customer satisfaction data can provide meaningful insight into ADR experiences and help to identify areas for improvement.²²³ Three noted that our proposals will not only help improve Ofcom's oversight but will also allow scheme members to measure service quality.²²⁴
- 5.37 Some respondents argued that we should introduce a customer satisfaction KPI. Citizens Advice asserted that more KPIs should be implemented to measure the consumer experience.²²⁵ Similarly, the Telecoms Advocate argued that the KPIs should be expanded to include customer satisfaction metrics to ensure the schemes are effectively serving the needs of consumers.²²⁶
- 5.38 Some respondents, like Which? and ACNI, called for greater clarity and detail on how we plan to work with the schemes to harmonise and improve the consistency of their customer satisfaction data.^{227 228}

Our assessment and decision

- 5.39 Having considered the consultation responses, our view remains that it would not be proportionate to introduce a customer satisfaction KPI when our analysis suggests no deep-rooted issues that would justify an overhaul of the schemes' approach to collecting customer satisfaction data.
- 5.40 The KPIs already help us to monitor the core elements of the consumer experience. For example, the length of time it takes the schemes to answer a phone call or to reach a case decision. We believe that tightening the KPIs, and introducing a digital correspondence KPI, will help improve our oversight of key elements of the customer experience and could help drive improvements for consumers.
- 5.41 Furthermore, setting a specific customer satisfaction KPI target would be difficult because, as our research has shown, case outcome has a strong impact on consumers' perception of the ADR process.²²⁹
- 5.42 Instead, our assessment is that we can achieve the desired outcome of improving our oversight of customer satisfaction with the schemes by working with them to improve and harmonise the customer satisfaction data they collect and publish and by monitoring this data as part of our regular engagement with the schemes.

²²³ [BT Group response to the January Consultation](#), page 3.

²²⁴ [Hutchison 3G UK Limited \(Three\) response to the January Consultation](#), page 2.

²²⁵ [Citizens Advice response to the January Consultation](#), page 5.

²²⁶ [The Telecoms Advocate response to the January Consultation](#), page 7.

²²⁷ [Which? response to the January Consultation](#), page 9.

²²⁸ [ANCI response to the January Consultation](#), page 3.

²²⁹ Ofcom, 2024. Understanding the Alternative Dispute Resolution (ADR) process, full report, slide 53.

- 5.43 We have agreed with both CISAS and CO that they will collect customer satisfaction scores at a minimum of two points in the customer journey – before and after a case decision has been reached – and publish this data every quarter broken down by case outcome, to account for the impact case outcome has on the consumers’ perception of the ADR process. The schemes have also agreed to publish customer satisfaction scores for settled cases. This will help resolve existing inconsistencies between how the schemes monitor customer satisfaction. For example, CISAS only collecting customer satisfaction data at one point in the customer journey and CO not publishing customer satisfaction data on a consistent basis.
- 5.44 We will monitor the customer satisfaction data on a quarterly basis as part of our regular engagement with the schemes. This will enable us to track each scheme’s performance over time and raise any concerns we may have if we identify any fluctuations in their performance.
- 5.45 **We have decided to maintain the proposal set out in the January Consultation to improve our oversight of customer satisfaction with the ADR process.**

Summary of new KPIs

- 5.46 The new set of KPIs that the schemes are expected to meet, and report to Ofcom on a quarterly basis:
- a) More than 85% of calls to be answered in less than two minutes.
 - b) More than 95% of calls to be answered in less than five minutes.
 - c) 90% of digital correspondence to be replied to within three working days.
 - d) 100% of written correspondence to be replied to within 10 working days.
 - e) More than 95% of case decisions reached within six weeks of the case being accepted.
 - f) Less than 1% of case decisions to be issued later than eight weeks after the case has been accepted.
- 5.47 We anticipate that the schemes will report against the new KPIs from Q4 2025.

A1. Notification of modifications to General Condition C4 – Complaints handling and dispute resolution section

Notification of Ofcom's decision to modify the Annex to General Condition C4 under sections 48(1) of the Communications Act 2003

Background

- A1.1 On 15 January 2025, Ofcom published a notification pursuant to sections 48(1) and 48A(3) of the Act, proposing to modify the following paragraphs in the Annex to General Condition C4:
- a) Paragraph 12 in section 1 of the Annex to Condition C4
 - b) Paragraph 17(d) in section 2 of the Annex to Condition C4
 - c) Paragraph 23(b) in section 3 of the Annex to Condition C4
 - d) Paragraph 26(c) in section 4 of the Annex to Condition C4
- A1.2 Ofcom's reasons for making the proposals and the effect of the proposals were set out in the accompanying consultation document.²³⁰
- A1.3 Ofcom invited representations about the proposals by 12 March 2025.
- A1.4 A copy of the notification was sent to the Secretary of State in accordance with section 48C(1) of the Act.
- A1.5 By virtue of section 48A(6) and (7) of the Act, Ofcom may give effect to the proposals, with or without modification, only if –
- a) they have considered every representation about the proposal made to them within the period specified in the notification; and
 - b) they have had regard to every international obligation of the United Kingdom (if any) which has been notified to them for this purpose by the Secretary of State.
- A1.6 Ofcom received responses to the notification and has considered every such representation made to them in respect of the proposals set out in the notification (and the accompanying consultation document).

²³⁰ This is available here: [Consultation Review of ADR in the telecoms sector](#).

A1.7 The Secretary of State did not notify Ofcom of any international obligation of the United Kingdom for the purpose of section 48A(6) of the Act.

Decision

A1.8 In accordance with section 45 and sections 48(1) of the Act, Ofcom hereby modifies the “Ofcom Approved Complaints Code” annexed to General Condition of Entitlement C4 in accordance with the modifications are set out in the Schedule to this Notification.

A1.9 For the reasons explained in the explanatory statement accompanying this Notification, Ofcom has decided that the provisions in the Schedules to this Notification shall come into force immediately on 8 April 2026 and will apply to any complaints raised on that day onwards.

A1.10 Ofcom's reasons for reaching this decision, and the effect of the decision, are set out in Section 3 of the explanatory statement accompanying this Notification.

A1.11 Ofcom considers that this decision complies with the requirements of sections 45 to 49C of the Act, insofar as they are applicable.

A1.12 In making these decisions, Ofcom has considered and acted in accordance with its general duties under section 3 of the Act and the six requirements set out in section 4 of the Act. Ofcom has also had regard to the Statement of Strategic Priorities in making the proposals referred to in this Notification as well as the desirability of promoting economic growth in section 108 of the Deregulation Act 2015.

A1.13 A copy of this Notification and the accompanying statement document has been sent to the Secretary of State in accordance with section 48C(1) of the Act.

A1.14 In this Notification:

- a) 'the **Act**' means the Communications Act 2003;
- b) '**General Conditions of Entitlement**' or 'General Conditions' means the general conditions set under section 45 of the Act by Ofcom on 19 September 2017, as amended from time to time;
- c) '**Ofcom**' means the Office of Communications;
- d) '**Statement of Strategic Priorities**' means the Statement of Strategic Priorities for telecommunications, the management of radio spectrum, and postal services designated by the Secretary of State for Digital, Culture, Media and Sport for the purposes of section 2A of the Communications Act 2003 on 29 October 2019.

A1.15 Words or expressions shall have the meaning assigned to them in this Notification, and otherwise any word or expression shall have the same meaning as it has in the Act.

A1.16 For the purposes of interpreting this Notification: (i) headings and titles shall be disregarded; and (ii) the Interpretation Act 1978 shall apply as if this Notification were an Act of Parliament.

A1.17 The Schedules to this Notification shall form part of this Notification

Signed by Fergal Farragher

A handwritten signature in black ink, appearing to read 'Fergal Farragher', with a stylized, cursive script.

Director, Policy – Networks and Communications

A person authorised by Ofcom under paragraph 18 of the Schedule to the Office of Communications Act 2002

8 July 2025

Schedule: modifications to the Annex to General Condition C4

A1.18 This Schedule shows the modifications that we have decided to make to the Annex to General Condition C4 in order to give effect to the policy decisions outlined in the accompanying statement. The third column in the table below highlights in **bold** the changes we have made.

Annex to General Condition C4

Relevant General Condition - General Condition C4.2	Previous wording	Amendments made (changes shown in bold)
Paragraph 12 in section 1 of the Annex to Condition C4	The Regulated Provider must immediately issue an ADR Letter to the Complainant if the Complaint remains unresolved after 8 weeks have passed since the date on which the Complaint was first received, unless the Regulated Provider has already sent an ADR Letter in accordance with paragraph 11 above.	The Regulated Provider must immediately issue an ADR Letter to the Complainant if the Complaint remains unresolved after six weeks have passed since the date on which the Complaint was first received, unless the Regulated Provider has already sent an ADR Letter in accordance with paragraph 11 above.

Relevant General Condition - General Condition C4.2	Previous wording	Amendments made (changes shown in bold)
Paragraph 17(d) in section 2 of the Annex to Condition C4	<p>The Customer Complaints Code must be kept up to date and include information about:...</p> <p>(d) the right for a Complainant to take their unresolved Complaint to the ADR Scheme after eight weeks have passed since the date on which the Complaint was received, and the circumstance (under paragraph 11 above) where the Complainant can do so at any</p>	<p>The Customer Complaints Code must be kept up to date and include information about:...</p> <p>(d) the right for a Complainant to take their unresolved Complaint to the ADR Scheme after six weeks have passed since the date on which the Complaint was received, and the circumstance (under paragraph 11 above) where the Complainant can do so at any</p>
Paragraph 23(b) in section 3 of the Annex to Condition C4	<p>For each month, Regulated Providers must retain a record of the following: ...</p> <p>(b) the number of ADR Letters sent in that month for unresolved Complaints in accordance with paragraph 12 (i.e. after eight weeks have passed)</p>	<p>For each month, Regulated Providers must retain a record of the following: ...</p> <p>(b) the number of ADR Letters sent in that month for unresolved Complaints in accordance with paragraph 12 (i.e. after six weeks have passed)</p>

Relevant General Condition - General Condition C4.2	Previous wording	Amendments made (changes shown in bold)
Paragraph 26(c) in section 4 of the Annex to Condition C4	<p>26. Every Bill provided to Relevant Customers who are Consumers, excluding Bills provided by SMS, must also include, in a reasonably prominent manner, relevant text regarding the right of Relevant Customers to take unresolved Complaints to the ADR Scheme. That text must:...</p> <p>(c) inform Relevant Customers that the ADR Scheme can normally only be accessed after eight weeks have passed since the Complaint was first made to the Regulated Provider; and</p>	<p>26. Every Bill provided to Relevant Customers who are Consumers, excluding Bills provided by SMS, must also include, in a reasonably prominent manner, relevant text regarding the right of Relevant Customers to take unresolved Complaints to the ADR Scheme. That text must:...</p> <p>(c) inform Relevant Customers that the ADR Scheme can normally only be accessed after six weeks have passed since the Complaint was first made to the Regulated Provider; and</p>

A2. Decision Making Principles

In this annex, we set out the confirmed changes to the decision-making principles and a marked-up version of the decision making principles to provide context of these changes.

Table of proposed changes to decision making principles

Section	Current text	Confirmed change	Notes
Guiding Principles	A6.2 In doing so, the Schemes should consider decisions in accordance with the following principles: <ul style="list-style-type: none">• Independence• Fairness• Impartiality• Openness• Transparency• Effectiveness• Accessibility• Consistency• Measured performance• Official Approval• Accountability	A6.2 In doing so, the Schemes should consider decisions in accordance with the following principles: <ul style="list-style-type: none">• Independence• Fairness• Impartiality• Openness• Transparency• Effectiveness• Accessibility• Consistency• Accountability	Measured performance and Official Approval principles removed.
Decision Guidelines	A6.3 In achieving a fair and reasonable outcome for both parties, the Scheme's decision-maker will:	A6.3 In achieving a fair and reasonable outcome for both parties, the Scheme's decision-maker will:	Minor changes to iv., vi., and vii.

	<ul style="list-style-type: none"> i. Be able to demonstrate that they have treated the CP and the consumer fairly so that neither is unduly disadvantaged. ii. Remain objective and shall promote neither the position of the consumer nor that of the CP. iii. Consider the evidence presented by the parties, the specific circumstances, and other information directly relevant to the dispute and shall consider whether to request further information from either party. iv. Recognise that both parties must, where it is in their possession, provide evidence relevant to the matters in dispute. v. Give equal consideration to the word of the consumer and the word of the CP. vi. Be mindful of, but not bound by, past rulings in or similar cases. vii. Where appropriate take account of, but not rely on, the usual behaviour or practices of either the CPs or consumer. viii. Have regard to the relevant regulations, law and terms and conditions. ix. Ensure that the outcome will be based on the balance of probabilities in the 	<ul style="list-style-type: none"> i. Be able to demonstrate that they have treated the CP and the consumer fairly so that neither is unduly disadvantaged. ii. Remain objective and shall promote neither the position of the consumer nor that of the CP. iii. Consider the evidence presented by the parties, the specific circumstances, and other information directly relevant to the dispute and shall consider whether to request further information from either party. iv. Recognise that both parties must, where it is in their possession, provide evidence relevant to the matters in dispute to support their position. v. Give equal consideration to the word of the consumer and the word of the CP. vi. Be mindful of, but not bound by, past decisions or similar cases. vii. Where appropriate take account of, but not rely on, the usual behaviour or practices of either CPs or consumers. viii. Have regard to the relevant regulations, law and terms and conditions. 	
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	<p>absence of conclusive evidence and give full reasons for any decision.</p> <p>A6.4 The Schemes will aid the consistent application of these Decision Guidelines by working from time to time with Ofcom and one another on examples of typical and testing cases.</p>	<p>ix. Ensure that the outcome will be based on the balance of probabilities in the absence of conclusive evidence and give full reasons for any decision.</p> <p>A6.4 The Schemes will aid the consistent application of these Decision Guidelines by working from time to time with Ofcom and one another on examples of typical and testing cases.</p>	
Compensation Guidelines	<p>A6.5 Pre-requisites for making an award. With all types of compensation awarded the decision-maker should clearly express:</p> <ul style="list-style-type: none"> i. What breach has triggered the award ii. Why this breach is sufficient to justify an award iii. Factors affecting the size of the award iv. The precise level of the award 	<p>A6.5 Pre-requisites for making an award. With all types of compensation awarded the decision-maker should clearly express:</p> <ul style="list-style-type: none"> i. What breach has triggered the award ii. Why this breach is sufficient to justify an award iii. Factors affecting the size of the award iv. The precise level of the award <p>ADR schemes must have the appropriate policies in place regarding compensation levels. Schemes must apply these policies consistently and provide internal guidance to staff on how such policies should be interpreted.</p>	<p>Addition of new text to the bottom of the existing paragraph.</p>
Compensation Guidelines	<p>Setting the level of an award</p>	<p>Setting the level of an award</p>	<p>Minor changes to the paragraph.</p>

	<p><i>It should be noted that these Decision Making Principles are intended to serve as an aid to the decision-maker, through creating common reference points. The precise sums awarded should always be left to the discretion of the decision-maker.</i></p>	<p><i>It should be noted that this framework is intended to serve as an aid to the decision-maker, through creating common reference points. The precise sums awarded should always be left to the discretion of the decision-maker.</i></p>	
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Confirmed changes to the decision making principles

Objective of the Schemes

To resolve disputes between consumers and communications providers (CPs).

Guiding Principles

In doing so, the Schemes should consider decisions in accordance with the following principles:

- a) Independence
- b) Fairness
- c) Impartiality
- d) Openness
- e) Transparency
- f) Effectiveness
- g) Accessibility
- h) Consistency
- i) Accountability.

Decision Guidelines

In achieving a fair and reasonable outcome for both parties, the Scheme's decision-maker will:

- i. Be able to demonstrate that they have treated the CP and the consumer equally fairly so that neither is unduly disadvantaged.
- ii. Remain objective and shall promote neither the position of the consumer nor that of the CP.
- iii. Consider the evidence presented by the parties, the specific circumstances, and other information directly relevant to the dispute and shall consider whether to request further information from either party.
- iv. Recognise that both parties must, where it is in their possession, provide evidence relevant to the matters in dispute to support their position.
- v. Give equal consideration to the word of the consumer and the word of the CP.
- vi. Be mindful of, but not bound by, past decisions or similar cases.
- vii. Where appropriate take account of, but not rely on, the usual behaviour or practices of either CPs or consumers.
- viii. Have regard to the relevant regulations, law and terms and conditions.
- ix. Ensure that the outcome will be based on the balance of probabilities in the absence of conclusive evidence and give full reasons for any decision.

The Schemes will aid the consistent application of these Decision Guidelines by working from time to time with Ofcom and one another on examples of typical and testing cases.

Compensation Guidelines

Pre-requisites for making an award

With all types of compensation awarded the decision-maker should clearly express:

- ii. What breach has triggered the award
- iii. ii. Why this breach is sufficient to justify an award
- iv. iii. Factors affecting the size of the award
- v. iv. The precise level of the award

ADR schemes must have the appropriate policies in place regarding compensation levels. Schemes must apply these policies consistently and provide internal guidance to staff on how such policies should be interpreted.

Setting the level of an award

The level of compensation awarded will be guided by a common approach to be used by the Schemes and developed by the Schemes and Ofcom based on current practice and principles.

It should be noted that this framework is intended to serve as an aid to the decision-maker, through creating common reference points. The precise sums awarded should always be left to the discretion of the decision-maker.

A3. Description of methodology used to estimate effects on providers' costs

- A3.1 This annex sets out our approach to estimating the additional costs that providers are expected to incur due to the reduction of the timeframe for access to ADR from 8 weeks to 6 weeks. We also describe the evidence we used and the main assumptions we applied in producing this estimate.

Overview of our approach and summary of our findings

- A3.2 The cost to providers of dealing with disputes that go to ADR is typically higher than the costs associated with complaints that are resolved internally, by the providers themselves. This partly reflects the need for providers to involve specialist teams, who review the complaint once the complaint is referred to ADR and then decide whether to settle or defend it.²³¹ Moreover, for each complaint taken to ADR, providers pay settlement or adjudication fees to the scheme (depending on the outcome) and may incur additional costs for any remedy specified in the final decision.
- A3.3 In the consultation, we therefore focussed on quantifying the costs that would accrue to providers as a result of a potential increase in the number of disputes taken to ADR following a change in the timeframe for access from 8 weeks to 6 weeks. We have maintained the same approach.
- A3.4 We note that our overall approach to considering the cost to industry of reducing the threshold, and comparing it to the expected benefit to consumers, is overall consistent with what we did when we last changed the threshold for referral in 2009. However, we have not used our 2009 estimates as a baseline, recognising that there have been material developments in providers' complaints handling processes since then (e.g., chatbots, apps). In updating our estimates, we have also taken advantage of the availability of more recent, more granular and better quality data which allow us to obtain more robust estimates.
- A3.5 Our starting point is that, if the timeframe were shortened to 6 weeks, complaints that currently take between 6 weeks and 8 weeks for providers to resolve would instead receive an ADR letter, signposting the consumer to ADR, at 6 weeks.
- A3.6 Given the relatively low take-up rates of ADR among eligible consumers (i.e. the proportion of consumers who choose to access ADR after receiving an ADR letter from their provider), we expect that only a fraction of these disputes would be taken to ADR leading to

²³¹ Settling a complaint occurs when the provider and consumer agree a resolution to the dispute without the scheme adjudicating on it. Defending the complaint refers to when the provider decides to 'argue its case' with the scheme, and therefore the dispute goes through the scheme's adjudication process. For example, in its response to the statutory information requests dated 19 September 2024, [X] told us that its case investigation teams review the complaint file and decide whether to defend or settle the complaint. In response to the same statutory request, [Y] told us that it had dedicated complaint handlers for ADR complaints, which will seek support or information from any relevant team within the business as required.

additional costs for providers. In particular, we estimate that on average across the six providers, no more than 14%²³² of those additional complaints referred to ADR will actually be taken by consumers to an ADR process.

- A3.7 We consider that the increase in costs providers would incur for each additional complaint that would be taken to ADR following a change in the timeframe can be approximated by the difference between (i) the average cost of dealing with an ADR complaint (including complaints handling costs, fees and compensations) and (ii) the average cost of dealing with a business as usual (BAU) complaint (including complaints handling costs and compensations) the provider would typically resolve internally between weeks 6 to 8.²³³ In other words, the difference between how much a complaint that would typically be resolved by the provider would cost to the provider in the absence of the change (BAU costs) and how much the same complaint would likely cost the provider after the change (ADR costs), assuming all else (e.g. consumer and provider behaviour) is equal (i.e. not affected by the change).
- A3.8 We have used information submitted by providers on (i) operational costs and compensation awarded to consumers for both BAU and ADR complaints; (ii) the number of complaints resolved by providers within certain timeframes; and (iii) the number of consumers who choose to access ADR after receiving an ADR letter.²³⁴ Where relevant, we have also used supplementary information from other sources. Below, we discuss in detail the assumptions underpinning our calculations.

Table 1 Estimated yearly impact of change on providers' costs

	BT Group	Sky	Vodafone	Three	VMO2	TalkTalk	6 main providers
Additional complaints referred to ADR per year	[X]	[X]	[X]	[X]	[X]	[X]	63,000
Additional complaints taken to ADR per year	[X]	[X]	[X]	[X]	[X]	[X]	9,000
Additional operational costs per year	[X]	[X]	[X]	[X]	[X]	[X]	£2,372,000
Additional compensation costs per year	[X]	[X]	[X]	[X]	[X]	[X]	£837,000

²³² We have estimated the average ADR take-up rate to be in the range 11.3% to 14%.

²³³ Business as usual complaints (BAU) are those dealt with by providers as part of their 'day to day' customer complaints handling. They do not include providers activities and costs when complaints are taken to the schemes for adjudication.

²³⁴ Operational costs relate to internal costs of dealing with complaints (including the costs of outsourced teams), and in the case of complaints taken to ADR, costs incurred to defend or settle a dispute taken to ADR.

	BT Group	Sky	Vodafone	Three	VM02	TalkTalk	6 main providers
Additional postage costs per year	[X]	[X]	[X]	[X]	[X]	[X]	£53,000
Total additional complaints handling costs per year	[X]	[X]	[X]	[X]	[X]	[X]	£3,263,000

Source: Ofcom analysis of providers data. Estimates rounded to the closest thousand. Costs for TalkTalk have been updated since publishing our consultation, reflecting a resubmission of TalkTalk's data.²³⁵ We have done further analysis for Three and obtained a range of estimates. On a conservative basis, we have included the upper bound of Three's estimates in calculating the total costs for the 6 providers. Postage costs have been updated for all providers to account for the most recent increase in the prices of second class stamps for standard letters from £0.85 to £0.87.

- A3.9 Table 1 summarises our results. According to our estimates, the change would increase complaints handling costs across the main six providers by c.£3.3 million per year. Taken together, this represents an increase of 2.1% compared to our estimate of the current costs of handling complaints (including those complaints resolved by the provider and those referred to ADR) across the six main providers. The impact on individual providers would vary, primarily reflecting differences in complaint resolution times among providers. While for [X], we estimate that the change would increase yearly complaints handling costs by less than 1.9% (between [X] and [X]), the respective increase for [X] would be higher [X], whereas for [X] it would be higher still [X]. [X].²³⁶ [X].
- A3.10 In addition to the ongoing incremental costs of a change to the threshold, the providers may also have to incur one-off costs associated with making the required changes to their complaints handling processes. For example, changes to the ADR referral letters issued when the threshold for referral is reached; updating the training material provided to customer complaints teams and re-training the complaints handling teams, so that they understand the new requirements and timings involved; changes to the providers' complaints handling software and potentially other changes to their systems.
- A3.11 At the time of the consultation, only two of the five providers we asked had given us estimates of their respective one-off costs. These estimates were substantially different in magnitude ranging from between [X] and [X] for [X]²³⁷ and [X] for [X].²³⁸
- A3.12 Since the consultation, we have further engaged with the four providers for which we had not obtained one-off costs, seeking to better understand the nature and magnitude of these costs. We received estimates of one-off costs from Vodafone, TalkTalk and BT. We have also engaged with Three to obtain respective estimates of one-off costs for its B2B

²³⁵ Talk Talk's response to our statutory information request dated 5 June 2025.

²³⁶ [X] of all complaints received for [X] and [X] of all complaints received for [X] are resolved within week 6 and week 8 compared to 1% on average for all providers.

²³⁷ [X]. [X] response to our statutory request dated 19 September 2024.

²³⁸ In response to our statutory information request dated 19 September 2024, [X].

operations and Smarty. Table 2 sets out the respective one-off costs for each provider who provided us with an estimate.

- A3.13 We would also expect Sky to incur commensurate one-off costs to implement the change to the threshold. For the purposes of our assessment, we have proceeded on the basis that Sky's costs would be in the range of the estimates provided by the other five providers i.e., between [X] and [X].²³⁹
- A3.14 We have therefore updated our analysis in order to account for an estimate of the one-off costs of the six providers as a result of the change to the threshold. Taking together the estimated one-off costs across the five providers that provided us with estimates, and assuming an additional figure to account for Sky's one-off costs, gives us a range between c.£2.9 million and c.£3.3 million. On a conservative basis, for the purposes of calculating the total one-off costs across the six providers we have assumed that Sky's costs would be at the upper bound of the estimates submitted by the other five providers. We note however that this is likely materially overstating Sky's costs. Our own calculations using the one-off cost estimates of the other providers and accounting for the relationship between costs and the number of complaints handled by each provider, suggest that a provider dealing with complaint volumes similar to Sky's would incur costs in the range [X].²⁴⁰

Table 2 Estimates of one-off costs

Provider	One-off cost estimate
Vodafone [§]	[X]
TalkTalk [§]	[X]
Three [§]	[X]
VMO2 [§]	[X]
BT [§]	[X]

Notes: [§] Estimates of one-off costs submitted by the providers, as confirmed under statutory requests for information dated 5 June 2025.

- A3.15 We have further considered how an increase in providers' costs, as a result of the change, may impact consumer expenditure if, for example, providers decided to fully pass on their costs to consumers. We have estimated that the respective average increase would be

²³⁹ As with the other providers, and in the light of consultation responses, we asked Sky to provide an estimate for its respective one-off costs on a voluntary basis. We did this on 15 April 2025. Sky declined to provide an estimate on this basis and explained that it would only do so following a detailed costing approach and in response to a statutory request for information. We decided not to pursue this as we considered that, in these circumstances, we could carry out a reasonable analysis on the basis of the information we already held or we were obtaining from elsewhere.

²⁴⁰ We think that accounting for the relationship between complaint volumes and costs is relevant because the main elements of these one-off costs (as identified by other providers) are: (i) training, which we expect is positively related with the size of the complaints handling teams, which in turn is positively related with the volume of complaints; and (ii) process and software changes, which we expect is positively related with the complexity of relevant processes and systems, which in turn is likely to be higher the greater the volume of complaints received.

11.5p per year per household, less than 0.02% of a household's yearly average expenditure for communications services.²⁴¹ If providers were to fully pass on one-off costs to consumers in the first year, we estimate there would be a further one-off increase of 10-11.6p per household.²⁴²

Aspects we do not take into account in our cost estimates

- A3.16 Before going on to set out the steps of our analysis and explain our assumptions and the data we used, we note that our approach and respective cost estimates do not take into account:
- a) Any second-order effects the change may have on providers' incentives.
 - b) Any second-order effects the change may have on consumers' behaviour.
 - c) Any cost savings that may accrue to providers as a result of the change.
- A3.17 We discuss each point below and explain how these factors may affect the costs to providers from the change.
- A3.18 The change in the timeframe may incentivise providers to change their complaints handling processes in order to resolve complaints more quickly and efficiently so that they can avoid the additional costs of complaints which are referred to ADR. If providers were to act in this way, we expect that this would lead to more complaints being resolved within 6 weeks. However, while this may lower future ongoing costs to providers below our estimates, such changes would probably involve some additional investment by providers (say, in staffing). We decided not to account for these changes in our cost estimates, as we are uncertain about the timeframe over which they would be implemented, as well as the costs associated with such changes.
- A3.19 Similarly, we have not considered the potential impact on providers' costs of any second order changes to consumer behaviour in response to shortening the timeframe. For instance, if consumers get access to ADR more quickly, they may be more likely to engage with the ADR process and pursue their complaint to the next stage with the scheme, which would also have an impact on providers' costs. In other words, eligible customers' 'take up' rate – the proportion of those receiving ADR letters who then pursue their complaint with

²⁴¹ To calculate the average cost per household we have divided the estimated increase in yearly costs of £3.3m across the 6 main providers by the number of households in the UK, which according to the most recent ONS data is 28.4 million. This gives an increase in household expenditure of 11.5 pence, if providers pass through all of the increase in their annual costs. To calculate the percentage increase in the average yearly expenditure per household, we used information from Ofcom's 2024 report on [Pricing trends for communications services in the UK](#) (figure 2) on the average monthly expenditure on bundled broadband and landline services of a low income couple with basic needs, which stands at £55 per month. We used this as our benchmark as if costs were to be passed on equally to all customers, those with lower expenditure would be most affected. The respective yearly expenditure for these services is £660. This implies that the increase in expenditure on these communications services would increase by 0.02%. We note that our approach may slightly understate the costs per household as it doesn't account for the fact that the 6 providers for which we estimate the costs account for between 80%-90% of the market. However, the discrepancy is less than 2 pence when we have sought to adjust the number of households in the UK to reflect this. Moreover, as the average UK household size is 2.4 people, the resulting cost per subscriber would be less than half of that estimate.

²⁴² Following the same approach as for yearly costs detailed in footnote 241, we have found that if providers were to fully pass any one-off costs they would have to incur (which we estimated to be between £2.9m and £3.3m) to consumers in the first year, there would be a further one-off increase of 10-11.6 pence per household.

the scheme – may increase from the average 14% noted above. However, we do not have any evidence on how a change in the timeframe may impact consumer behaviour. Therefore, our cost estimates use historical data from the providers to calculate ADR take-up rates. This approach may understate the future extent to which consumers choose to pursue resolution through ADR and so the future costs.

- A3.20 Finally, we have not accounted for some other potential costs savings that providers may realise as a result of the change. Such savings could, for example, relate to less resource being used to deal with those complaints that currently reach deadlock between 6 and 8 weeks or are not resolved within 8 weeks. We decided not to account for these savings on the basis that it was unclear what resource costs were being incurred given so few complaints were resolved in that two-week period.

Our approach to estimating the costs of the change

- A3.21 We set out in greater detail below each step of our analysis, explaining our assumptions as well as the data we used.

Estimating the increase in the number of ADR referrals and disputes taken to ADR

- A3.22 Not accounting for any secondary effects of a change in the timeframe on providers' resolution times or consumer behaviour,²⁴³ we assume that when the threshold changes from 8 weeks to 6 weeks, all complaints that currently take between 6 weeks to 8 weeks to be resolved would instead receive an ADR letter from their provider by the 6th week.²⁴⁴
- A3.23 Using the data on complaint resolution times submitted by the 6 main providers²⁴⁵ in response to our statutory information requests,²⁴⁶ we have estimated that approximately 63,000 additional ADR letters would be issued each year (jointly for the 6 main providers).²⁴⁷

²⁴³ The main reason we have not accounted for such second order effects is lack of relevant evidence that would enable us to quantify such effects. The market research we conducted clearly suggests that consumers would value prompter access to ADR, but as we have focussed on people who went through the process, we do not know how the behaviour of those who chose not to access ADR, or the behaviour of those who dropped the complaints process at an even earlier stage, is affected by the threshold.

²⁴⁴ The complaints that are currently referred to ADR via deadlock between weeks 6 and 8 would instead receive a 6-week referral letter. However, we do not count these as additional ADR referrals as they would be referred to ADR through a different channel (deadlock) even in the absence of the change.

²⁴⁵ When referring to the six main providers we mean BT Group (including Plusnet and EE), Sky, Vodafone, Three, VMO2 and TalkTalk.

²⁴⁶ BT Group response to the statutory information request dated 3 May 2024; Sky response to the statutory information request dated 3 May 2024; TalkTalk response to the statutory information request dated 3 May 2024; Three response to the statutory information request dated 3 May 2024; VMO2 response to the statutory information request dated 3 May 2024; and Vodafone response to the statutory information request dated 3 May 2024.

²⁴⁷ This is equal to the sum across providers of the number of complaints that in the relevant period that were resolved between weeks 6 and 8. We have divided the data for all providers except for BT Group by two to account for the fact that all other providers provided data for the 24-month period 1 January 2022 to January 2024 whereas for BT Group data is only available for 12 months.

- A3.24 However, not all eligible consumers (i.e. consumers who have the right to access ADR either due to deadlock or as a result of reaching the threshold for access) choose to access ADR. Using information submitted by the providers, we calculated the ADR ‘take-up’ rates for each provider, i.e. the share of consumers referred to ADR that then exercised this right.²⁴⁸ Take-up rates are relatively low for all providers for which we have data, ranging between 4.5% [3<] and 19% [3<], with an average take up rate across the six providers of 11.3%-14%.²⁴⁹
- A3.25 For each provider, we estimate the number of additional customers who would take their complaint to the relevant scheme every year, by multiplying our estimate of their ADR take-up rate with our estimate of the additional number of eligible customers due to the timeframe being shortened to 6 weeks.²⁵⁰ According to our calculations, there would be around 9,000 more ADR cases per year (jointly for the six providers from which we have collected data).

Estimating additional costs associated with changing the threshold for referral to 6 weeks

- A3.26 As a result of reducing the timeframe to 6 weeks, each provider would incur additional costs due to the increase in the number of disputes taken to ADR. Such costs would primarily relate to higher operational and compensation costs in relation to these complaints. We have also estimated the increase in postage costs associated with the additional referrals to ADR due to reaching the new threshold.

Additional operational costs

- A3.27 The change may result in an increase in the number of complaints taken to ADR. In particular, complaints that providers would typically resolve between 6 to 8 weeks internally, incurring BAU costs, would be referred to ADR. A fraction of these complaints would become ADR complaints and providers would have to incur incremental costs associated with the ADR process (i.e. involving specialist teams, paying settlement/adjudication fees to the scheme, etc).
- A3.28 We calculated the incremental operational costs per additional ADR complaint as the difference between (a) the average operational cost of an ADR complaint and (b) the average operational cost of internally dealing with a BAU complaint that would typically be resolved by the provider between 6 and 8 weeks.

²⁴⁸ In response to the statutory information requests dated 3 May 2024, providers submitted for the specified period (i.e. 1 January 2022 to 1 January 2024), the number of complainants that were referred to ADR and chose not to access it. TalkTalk re-submitted this data excluding NCC letters in response to our statutory information request data 5 June 2025. For each provider, the take up rate is calculated as $(1-x)\%$, where x is the number of complainants that were referred to ADR and chose not to access divided by the total number of complainants that were referred to ADR over the same period.

²⁴⁹ Take up rates for the remaining providers are: [3<]. For [3<], we have calculated [3<]. For [3<] we have updated the take-up rate using revised information submitted by the provider (in response to our statutory information request dated 5 June 2025) to be [3<] (instead of [3<] we had used in the Consultation using the number of accepted complaints from the scheme as a proxy of the number of people who accessed ADR based on the scheme’s response to the statutory information request dated 3 May 2024.)

²⁵⁰ More specifically, for each provider, we have multiplied the number of additional ADR referrals (i.e. the number of complaints that currently take longer than 6 weeks to resolve) by that provider’s ADR take-up rate.

- A3.29 There is not a straightforward relationship between the average operational cost of a BAU complaint and the time it takes to resolve a complaint. Typically, more complex complaints would take longer to resolve and have higher costs for providers.²⁵¹ However, complaints may also stay open for longer without incurring additional costs, due to factors such as lack of customer responsiveness or waiting times due to other issues outside of the provider's control (e.g. for third-party engineers to respond, councils to give permits for road closures).²⁵²
- A3.30 The time taken to resolve a complaint was not viewed by providers as a key driver of operational costs and providers were not able to give us information on costs depending on how long it took to resolve a complaint. Therefore, we consider that the average operational costs of BAU complaints taking between 6 to 8 weeks to resolve are not systematically different from the operational costs of BAU complaints resolved within different timeframes. As a result, the costs between 6 to 8 weeks can be approximated by a measure of the average BAU costs across complaints resolved within different timeframes.
- A3.31 We therefore asked providers for data about the average operational cost of (i) dealing with a BAU complaint net of any customer compensation awarded; and (ii) dealing with an ADR complaint net of any customer compensation awarded.
- A3.32 Not all providers were able to give the information requested in a consistent format. We outline below the information each provider submitted and how this was used to obtain an estimate of the average cost of dealing with a BAU complaint versus the average cost of dealing with an ADR complaint.
- A3.33 For each provider, we calculate the total increase in operational costs that providers may be expected to incur per year, as a result of the change, by multiplying the estimated incremental operational cost per additional ADR complaint with the estimated number of additional complaints consumers would take to ADR per year.

Additional compensation of additional ADR complaints

- A3.34 Complaints that are taken by the consumer to ADR typically obtain higher amounts of compensation than BAU complaints resolved internally by the providers. Hence, if a reduction in the timeframe to 6 weeks led to an increase in ADR referrals and subsequently the number of consumers who choose to take their complaint to the schemes, we would expect providers' customer compensation costs to also increase.
- A3.35 The incremental compensation cost per additional ADR complaint would be the difference between (a) the average compensation paid to an ADR complaint and (b) the average

²⁵¹ Two providers [3<] said that the complexity of the case is an important driver of the operational costs of BAU complaints [3<].

²⁵² For example, in response to our clarification questions following our meeting on 23 May 2024 (sent on 28 August 2024), one provider [3<] explained that they estimate the costs of dealing with complaints based on the number of staff hours required rather than the number of days the complaint remains open. Hence, looking at the time taken to resolve a complaint is not necessarily informative of the cost to handle because it does not explain how many working hours within those 4 weeks were devoted to active work on the complaint. The same provider also said that there is not a direct link between a complaint's complexity and the resolution times. This is broadly consistent with what other providers told us.

compensation paid to a BAU complaint currently resolved internally by the provider between weeks 6 and 8.²⁵³

- A3.36 We therefore asked providers to provide data on the average compensation awarded to a customer for (i) a BAU complaint resolved internally; and (ii) an ADR complaint. As for operational costs, we note that not all providers were able to provide the information requested in a consistent format. We outline below the information each provider submitted and how this was used to obtain an estimate of their average compensation awarded.
- A3.37 For each provider, we calculate the total increase in compensation costs that providers may be expected to incur per year as a result of the change by multiplying the estimated incremental compensation cost per additional ADR complaint with the estimated number of additional complaints consumers would take to ADR per year.

Other costs

- A3.38 As explained above, when the timeframe changes to 6 weeks, all complaints that currently take between 6 weeks and 8 weeks to resolve should receive an ADR letter at 6 weeks. Sending these letters implies additional postage costs for providers. To calculate incremental postage costs we assumed that providers would send 6-week letters with a second-class standard letter stamp, which is currently priced at 87 pence.²⁵⁴ We note that this is a conservative estimate given that, as bulk senders, providers are likely to have access to cheaper alternatives.²⁵⁵ Moreover, our estimates of these costs are likely overstating the true costs providers may incur as a result of the change as it is likely that a material share of these 6-week ADR letters would be sent electronically.
- A3.39 For each provider, we calculate the total increase in postage costs that providers may be expected to incur per year as a result of the change by multiplying the estimated incremental postage cost per additional ADR complaint with the estimated number of additional complaints providers would refer to ADR for reaching the end of the 6-week threshold per year.

Total additional complaints handling costs

- A3.40 For each provider we have estimated the yearly increase in complaints handling costs due to the change as the sum of (a) additional operational costs, (b) additional compensation costs and (c) additional postage cost.

²⁵³ Two providers [redacted] told us that there can be a link between the length of time a complaint takes to resolve and the extent of compensation given. However, this was not something we heard consistently from all providers. This was in response to questions to [redacted] in a meeting of 21 June 2024 and clarification questions to [redacted] after a meeting, in a letter of 28 August 2024.

²⁵⁴ We have updated our analysis to account for the most recent price changes.

²⁵⁵ Our calculations exclude the deadlock letters sent between weeks 6 and 8. These would now receive an end-of threshold letter.

Our estimates for each provider

BT Group (including EE and Plusnet)

- A3.41 BT Group was not able to provide information on operational costs per BAU complaint but instead provided information on the cost per call to its customer service agents for a BAU. It estimates BAU cost per call to be [£].²⁵⁶
- A3.42 We made a number of assumptions to derive BT Group's BAU complaint costs from the cost per call data. We first considered the data available about BT Group's performance resolving complaints. We used information from a 2023 Ofcom report on Comparing Customer Service: mobile, landline and home broadband,²⁵⁷ according to which:
- a) 44% of EE's mobile complaints were resolved in the first contact;
 - b) 43% of BT's, 39% of EE's and 37% of Plusnet's broadband complaints were resolved in the first contact; and
 - c) 44% of BT's, 53% of EE's and 34% of Plusnet's landline complaints were resolved in the first contact.
- A3.43 We do not have granular information on the product types associated with complaints received by BT, EE and Plusnet, individually. However, BT Group provided us with complaint volumes for each of Mobile, Home and Plusnet.²⁵⁸ Therefore, we assumed that 40% of Mobile and Home complaints and 35% of Plusnet's complaints were resolved on first contact with a BT Group customer service agent. For the remaining complaints, we assumed that they involve three contact points on average. Using these assumptions and BT Group's cost per call data, we calculated the average cost of a BT Group BAU complaint at [£].²⁵⁹
- A3.44 In response to our statutory information request,²⁶⁰ BT Group submitted that the average cost per ADR complaint, excluding any customer compensation awarded, is [£].
- A3.45 According to information provided directly by BT Group, the average compensation paid to consumers for resolved BAU complaints is [£], whereas the average compensation per ADR complaint is [£].²⁶¹
- A3.46 BT Group further submitted that over the review period (1 January 2023 to 1 January 2024) [£] of the [£] consumers who were referred to ADR chose not to access it.²⁶² Hence, BT Group's ADR take-up rate is currently [£].
- A3.47 Based on the evidence we received from BT Group in relation to the number of complaints resolved within certain timeframes for the review period,²⁶³ we estimate that when the

²⁵⁶ BT Group response to the statutory information request dated 3 October 2024.

²⁵⁷ Ofcom, 2023. [Comparing customer service: mobile, landline and home broadband](#).

²⁵⁸ BT Group response to the statutory information request dated 3 May 2024.

²⁵⁹ =

$$\frac{(0.4 \times (\#mobile + \#home complaints) + 0.35 \times \#Plusnet complaints) \times [£] + (0.6 \times (\#mobile + \#home complaints) + 0.65 \times \#Plusnet complaints) \times [£]}{\#mobile + \#home + \#Plusnet complaints}$$

²⁶⁰ BT Group response to the statutory information request dated 3 October 2024.

²⁶¹ BT Group response to the statutory information request dated 3 October 2024.

²⁶² BT Group response to the statutory information request dated 3 May 2024.

²⁶³ BT Group response to the statutory information request dated 3 May 2024.

timeframe reduces to 6 weeks, an additional [X] complaints per year should receive ADR letters, leading to an increase of in postage costs equal to [X]. Taking those additional yearly ADR letters and multiplying this by BT Group's ADR 'take up rate', suggests that approximately [X] extra customers would actually access ADR. We estimate that this would result in an increase in operational costs of [X] and an additional [X] in compensations awarded to consumers.

- A3.48 We have updated our analysis since the January Consultation to account for one-off costs that BT Group would incur in response to a change in the timeframe from 8 to 6 weeks. BT Group submitted that based on internal estimates the respective one-off costs would be [X]. BT Group further submitted that the majority of these costs would be incurred retraining frontline contact centre staff: [X]; with the other costs relating to copy and digital changes [X] system updates and wider organisational embedment [X].²⁶⁴
- A3.49 BT Group also told us that over the last twelve months it has been working to change its complaints handling system, which it hopes will result in more consistency across different types of complaints, and better insight and efficiencies in regard to complaints handling time. It has also been developing a future strategy for complaints handling and looking at how it could use AI.²⁶⁵ If these actions improve BT Group's performance in dealing with complaints, then when the timeframe reduces to six weeks, the number of extra customers using ADR and so incremental costs of the policy, would be lower than our estimate.

Sky

- A3.50 In response to our statutory information request,²⁶⁶ Sky submitted (i) the total operational costs and (ii) the compensations paid out to customers in 2022 and 2023 for its three dedicated outward facing teams that deal with escalated complaints. Sky noted that none of these teams exclusively deal with BAU complaints, i.e. all its customer facing teams not only deal with complaints but also other sales and service enquiries. It was not possible for it to carve out the costs which are exclusively associated with BAU complaints.
- A3.51 To estimate the respective operational costs, we assumed that between 30% to 40% of these teams' costs related to complaints resolution. On this basis, we found that the average operational cost of a BAU complaint was [X]. Using the same approach, we estimated the average compensation paid out to consumers for BAU complaints was [X].
- A3.52 Sky provided the (i) total operational costs associated with handling ADR complaints after they have been received by CISAS; and (ii) the total compensations awarded to complaints that have been received by CISAS, for 2022 and 2023.²⁶⁷ Using the information provided and the number of Sky's complaints that CISAS accepted over the same period,²⁶⁸ we estimated Sky's average cost of handling an ADR complaint was [X] and its average compensation per ADR complaint to be [X].

²⁶⁴ BT Group response dated to the statutory information request dated 5 June 2025.

²⁶⁵ BT Group response to the statutory information request dated 3 October 2024.

²⁶⁶ Sky response to the statutory information request dated 19 September 2024.

²⁶⁷ Sky response to the statutory information request dated 19 September 2024.

²⁶⁸ CISAS response to the statutory information request dated 3 May 2024.

- A3.53 Sky further submitted that over the review period [X] of the [X] consumers who were referred to ADR chose not to access it.²⁶⁹ Hence, Sky's ADR take-up rate is currently [X].
- A3.54 Based on the evidence received from Sky in relation to historical volumes, we estimate that when the timeframe reduces to 6 weeks, an additional [X] complaints per year should receive ADR letters,²⁷⁰ leading to a yearly increase in postage costs equal to [X]. Of those additional complainants sent ADR letters each year, we estimate that approximately [X] consumers would choose to go to ADR. We estimate that this would lead to an increase in Sky's operational costs of [X] and an additional [X] in compensation awarded to consumers.

Vodafone

- A3.55 Vodafone provided average operational costs per BAU complaint and per ADR complaint for 2023 and for the period January to August 2024, as information for 2022 was not available.²⁷¹ In order to estimate the average operational cost per BAU and per ADR complaint for the period for which we have information on the volume of complaints (i.e. 1 January 2022 to 1 January 2024), we assumed that these costs would be the same as the average of the costs for the period provided by Vodafone. Hence, we estimate the average operational cost per BAU complaint to be [X] and the average operational cost per ADR complaint to be [X].²⁷²
- A3.56 Moreover, Vodafone submitted that over the review period [X] of the [X] consumers who received ADR letters chose not to access it.²⁷³ Hence, Vodafone's ADR take-up rate is currently [X].
- A3.57 Based on the evidence we received from Vodafone in relation to volumes of complaints,²⁷⁴ we estimate that when the timeframe reduces to 6 weeks, an additional [X] complaints per year should receive ADR letters, leading to a yearly increase in postage costs equal to [X]. Of the additional complaints receiving ADR letters per year, approximately [X] consumers would choose to access ADR, leading to an increase of [X] in operational costs and an additional [X] in compensations awarded to consumers.
- A3.58 We have updated our analysis to account for one-off costs that Vodafone would incur in response to a change in the timeframe from 8 to 6 weeks. Vodafone provided a range of indicative estimates between [X].²⁷⁵ [X] Vodafone explained that these estimates were not based on a detailed costing and are therefore likely to understate costs and cautioned that even for estimates derived through a detailed costing process, actual incurred costs often exceed initial estimates [X].
- A3.59 Vodafone has told us that it has an investment project at planning phase which aims to improve various aspects of consumers' experience with its complaints process. They expect

²⁶⁹ Sky response to the statutory information request dated 3 May 2024.

²⁷⁰ Sky response to the statutory information request dated 3 May 2024.

²⁷¹ Vodafone response to the statutory information request dated 19 September 2024.

²⁷² We note that Vodafone submitted that while they were able to provide an estimate of the operational cost per BAU complaint, in practice this is not how they monitor complaints handling costs internally.

²⁷³ Vodafone response to the statutory information request dated 3 May 2024.

²⁷⁴ Vodafone response to the statutory information request dated 3 May 2024.

²⁷⁵ Vodafone response to the statutory information request dated 5 June 2025.

to spend around [£] over two years updating and enhancing their complaints management tool.²⁷⁶

- A3.60 We note that if Vodafone's investment project improves consumers' experience of its complaint handling process, this should reduce the length of time that complaints take to be resolved. This would imply that a reduction in the timeframe to 6 weeks may result in lower increases in Vodafone's operational and compensation costs than we have estimated.

Three

- A3.61 In response to our information request,²⁷⁷ Three provided the total operational costs of B2C²⁷⁸ complaints dealt with by its Customer Relations Team ('CRT'), an outsourced team run by a company called [£]. Three's CRT deals with complaints that cannot be resolved by its initial customer facing team, i.e. the CRT is the specialist complaints team for BAU complaints. We assume that all BAU disputes which have been running for at least 6 weeks without being resolved involve the CRT.
- A3.62 Three also provided the total volume of all BAU complaints and the proportion of these dealt with by CRT.²⁷⁹ We used this data to estimate the volume of BAU complaints dealt with *solely* by the initial customer facing team and the volume dealt with first by the customer facing team and then passed to the CRT.
- A3.63 We divided the total operational costs of the CRT by the total complaints dealt with by the CRT to calculate average (per complaint) CRT operational costs [£]. To calculate the operational costs accounted for by the initial customer facing team, we assumed an hourly staff cost of [£] and that staff spent half an hour on average attempting to resolve the BAU complaint before passing it to the CRT. Adding this cost [£] to the average CRT operational cost, means that the total average operational cost of a BAU complaint was estimated at [£].
- A3.64 Three also provided data about complaints which go to ADR.²⁸⁰ It provided the total number of its customers' complaints accepted for investigation by the scheme. These complaints were not only for its B2C brand but also related to its Smarty and B2B businesses. Three also provided the total annual staff costs of its [£], which deals with complaints involving ADR.²⁸¹ Using the data on total annual staff costs and total complaint numbers, we estimated the average salary cost per accepted complaint as [£] (for the two-year period of 2022 and 2023). Three also provided total and average ADR complaint fees,²⁸² and we estimated its average ADR complaint fees per accepted complaint as [£] (for the two-year period 2022 and 2023). Adding together average complaint fees and average salary costs gives an estimate of the average operational costs of an ADR complaint ([£]).

²⁷⁶ Vodafone response to the statutory information request dated 19 September 2024.

²⁷⁷ Three response to the statutory information request dated 19 September 2024.

²⁷⁸ B2C refers to Three's residential customers operations which is the largest part of Three's business.

²⁷⁹ Three response to the statutory information request dated 19 September 2024.

²⁸⁰ Three response to the statutory information request dated 19 September 2024.

²⁸¹ Three response to the statutory information request dated 19 September 2024.

²⁸² Three response to the statutory information request dated 19 September 2024.

- A3.65 Three also provided data about compensation awarded to B2C BAU and ADR complaints.²⁸³ Data on compensation awarded to B2C BAU complaints was only available for five months from 1 August 2023 to 1 January 2024, so we used this to derive a proxy for the earlier period. The data allowed us to calculate the average amount of compensation awarded to BAU complaints by the CRT (BAU compensation issued by CRT/total BAU CRT complaints) as [§].
- A3.66 To calculate average ADR compensation, we used Three's data on total ADR remediation paid out in 2023 and divided this by the total number of complaints accepted by the scheme ([§]).
- A3.67 In response to our information request,²⁸⁴ Three submitted that, over the review period, [§] of the [§] who received an ADR letter, chose not to take up the adjudication option. Hence, Three's take-up rate for ADR was [§]. Since the consultation, we have done some further analysis on Three's data to account for different ways in which may deal with a data discrepancy, which provides us with a range between [§] and [§].²⁸⁵
- A3.68 The evidence we received from Three on volumes of resolved complaints²⁸⁶ suggests that, when the threshold reduces to six weeks, this would result in an additional [§] complaints receiving a reference letter to the scheme. This would mean a yearly increase in postage costs of [§]. Of the additional complaints receiving an ADR referral letter, an additional [§] to [§] complaints per year would take up this option. We estimate that each year this would result in an increase in operating costs of [§] - [§] and in compensation paid out of [§] - [§].
- A3.69 Prior to the consultation, Three had provided a relatively modest estimate of the likely one-off costs of a change in timeframe.²⁸⁷ These included a breakdown of associated training costs, process updates, automated costs etc, which ranged between [§] for its B2C operations. At the time, Three had also made the point that commensurate changes would need to be made for its other operations (i.e. Smarty and B2B) without however providing estimates.
- A3.70 Since the consultation, we have updated our analysis to account for additional evidence Three provided in relation to the respective one-off costs for Smarty and B2B.²⁸⁸ According to Three's estimates, these costs would range between [§] and relate to updating training content, briefing content centre advisors, updating complaints processes, updating automated case management systems and updating reporting systems.
- A3.71 Three also provided some details of a Contact Centre Performance Review and noted that it had a strategy to reduce escalated complaints and improve resolution of complaints.²⁸⁹ Hence, a reduction in the timeframe would probably result in a lower number of complaints receiving ADR letters and then choosing to use the ADR process than our

²⁸³ Three response to the statutory information request dated 19 September 2024.

²⁸⁴ Three response to the statutory information request dated 3 May 2024.

²⁸⁵ This depends on how we adjust Three's data for double counting in relation to complaints that have received a deadlock letter or have been resolved after week 8.

²⁸⁶ Three response to the statutory information request dated 3 May 2024.

²⁸⁷ Three response to the statutory information request dated 19 September 2024.

²⁸⁸ Three response to statutory information request dated 5 June 2025.

²⁸⁹ Three response to the statutory information request dated 19 September 2024.

estimates above. This would also imply lower increases in operational and compensation costs.

VMO2

- A3.72 In response to our information request,²⁹⁰ VMO2 provided two separate estimates for the average operational costs of dealing with a BAU complaint:
- a) The average operational cost of BAU complaints handled by their external partners is [X].
 - b) The average operational cost of BAU complaints handled by VMO2 teams is [X].
- A3.73 VMO2 noted that these costs do not accurately capture technology costs associated with complaints handling as these are not incurred on a per complaint/interaction basis.
- A3.74 For the purposes of this exercise, we assumed that half the complaints are dealt by VMO2's external partner teams and half by VMO2 teams. On this basis, the average operational cost of BAU complaints is [X].
- A3.75 Regarding the average operational costs of ADR complaints, VMO2 submitted²⁹¹ that these vary depending on whether a complaint is settled or adjudicated.
- a) The average operational cost of settled ADR complaints is [X].
 - b) The average operational cost adjudicated ADR complaints is [X].
- A3.76 Combining the information on the costs of settled and adjudicated ADR complaints with information we obtained from the CO on VMO2's adjudication rate ([X] for the relevant period),²⁹² we calculated VMO2's average operational cost of dealing with an ADR complaint as [X].²⁹³
- A3.77 VMO2 submitted²⁹⁴ that the average compensation per BAU complaint was [X] but was not able to provide any information on the average compensation awarded to ADR complaints. Compensation for ADR complaints is typically higher than for BAU complaints, but the extent of the difference varies greatly among providers. In the absence of data, we assumed that VMO2's average compensation per ADR complaint is equal to the simple arithmetic average of the ADR compensation provided by other providers, i.e. [X].
- A3.78 In response to our information request,²⁹⁵ VMO2 submitted that over the review period, [X] of the [X] consumers who received ADR letters chose not to access it. Hence, VMO2's ADR take-up rate is currently [X].
- A3.79 Based on the evidence we received from VMO2 in relation to historical volumes,²⁹⁶ we estimated that when the timeframe reduces to 6 weeks [X] additional complaints per year would receive ADR letters, implying a yearly increase in postage costs of

²⁹⁰ VMO2 response to the statutory information request dated 19 September 2024.

²⁹¹ VMO2 response to the statutory information request dated 19 September 2024.

²⁹² CO response to the statutory information request dated 3 May 2024.

²⁹³ This is equal to the weighted average of the average operational cost of dealing with an ADR complaint that is settled and the average operational cost of dealing with an ADR complaint that is adjudicated where the weights are the settlement and adjudication rates.

²⁹⁴ VMO2 response to the statutory information request dated 19 September 2024.

²⁹⁵ VMO2 response to the statutory information request dated 3 May 2024.

²⁹⁶ VMO2 response to the statutory information request dated 3 May 2024.

approximately [X]. Of those additional referrals per year, [X] of the consumers (or c.[X]) would choose to access ADR. This would lead to an increase in operational costs of c.[X] and an additional c.[X] in compensations awarded to consumers per annum.

- A3.80 However, VMO2 resolves a higher percentage of complaints between 6 and 8 weeks than some other providers (around [X] compared to the simple average for all providers of around 1%). If VMO2 sped up its rate of complaint resolution to match the average across providers, this would reduce the number of additional complaints receiving ADR letters, if the timeframe were lowered to six weeks. Therefore, this would also reduce the number of extra consumers accessing ADR. We have estimated that VMO2's extra operational costs on this basis would be [X] per annum and its extra compensation costs would be [X] per annum.
- A3.81 We note that VMO2 has already committed to an improvement programme for their customer complaints process.²⁹⁷ The [X] project was established in May 2024 and its aims include reducing the number of complaints (by fixing issues so complaints do not occur in the first place) and speeding up resolution of complaints which do occur. This implies that the number of complaints left unresolved after six weeks should fall and, by implication, the additional operational and compensations costs that VMO2 may face as a result of a reduction in the timeframe to 6 weeks.
- A3.82 Before the consultation, VMO2 had submitted that as a result of a change in the timeframe they would have to implement a number of changes in their systems, including technology changes, branding & copywriting, staff training, website design changes, etc.²⁹⁸ [X]. We have not further updated our analysis for VMO2 since the consultation.

TalkTalk

- A3.83 In response to an information request, TalkTalk submitted²⁹⁹ that the average operating cost of dealing with a BAU complaint is [X] and that the average compensation awarded to a BAU complaint is [X].
- A3.84 In relation to ADR complaints, TalkTalk submitted³⁰⁰ that the average operating cost of dealing with an ADR complaint was [X] and the average compensation awarded to an ADR complaint was [X]. TalkTalk also submitted the total costs and compensations associated with ADR complaints that were settled, as well as ADR complaints that were adjudicated. Using this information we have calculated:³⁰¹

²⁹⁷ VMO2 response to the statutory information request dated 19 September 2024.

²⁹⁸ VMO2 response to clarification questions issued on 28 August 2024, in relation to a meeting held with Ofcom on 31 May 2024.

²⁹⁹ TalkTalk response to the statutory information request dated 19 September 2024.

³⁰⁰ TalkTalk response to the statutory information request dated 19 September 2024.

³⁰¹ More specifically, TalkTalk submitted that over the relevant period the total costs of settled complaints were equal to [X] (made up of [X] in fees and [X] in compensation) and the respective average cost per settled complaint was [X]. Dividing the total cost by the average cost we obtain the number of settled complaints over the period and used it to obtain the average fee and the average compensation per settled complaint respectively. Moreover, TalkTalk submitted that over the relevant period the total costs of adjudicated complaints were equal to [X] (made up of [X] in fees and [X] in compensation) and the respective average cost per adjudicated complaint was [X]. Dividing the total cost by the average cost we obtain the number of adjudicated complaints over the period and used it to obtain the average fee and the average compensation per adjudicated complaint respectively.

- a) The average operational cost per settled ADR complaint to be [REDACTED].
- b) The average compensation per settled ADR complaint to be [REDACTED].
- c) The average operational cost per adjudicated ADR complaint to be [REDACTED].
- d) The average compensation per adjudicated ADR complaint to be [REDACTED].

A3.85 In the consultation, we calculated TalkTalk's ADR take-up rate to be [REDACTED] using information on the number of complaints from TalkTalk's customers that were accepted by CO³⁰² over the review period and information provided directly by TalkTalk about the number of complaints that were referred to ADR,³⁰³ either for reaching deadlock or the end of the 8-week period.³⁰⁴

A3.86 We have since updated TalkTalk's ADR take-up using data on the number of eligible complaints that did not access ADR that TalkTalk submitted.³⁰⁵ The updated ADR take-up rate for TalkTalk is [REDACTED].

A3.87 Based on the evidence we received from TalkTalk in relation to historical complaint volumes,³⁰⁶ we have estimated that if the timeframe were reduced to 6 weeks, [REDACTED] additional complaints per year would receive ADR letters, leading to a yearly increase in postage costs of approximately [REDACTED]. Of those additional complaints receiving ADR letters in a year, ([REDACTED]) would access ADR, leading to an increase of [REDACTED]³⁰⁷ in operational costs and an additional [REDACTED]³⁰⁸ in compensations awarded to consumers per annum.³⁰⁹

A3.88 However, TalkTalk resolves a higher percentage of complaints between 6 and 8 weeks than some other providers (around [REDACTED], compared to the simple average for all providers of around 1%). If TalkTalk speeds up its rate of complaint resolution to match the average across providers, this would lower the number of additional complaints receiving ADR letters when the threshold is lowered to 6 weeks. Therefore, this would also reduce the number of extra consumers accessing ADR. We have estimated that TalkTalk's extra

³⁰² CO response to statutory information request dated 3 May 2024.

³⁰³ TalkTalk response to the statutory information request dated 3 May 2024.

³⁰⁴ TalkTalk, in response to our statutory information request dated 3 May 2024, provided information on the number of complainants that did not access ADR after being referred to it. The reason why we did not use this information to calculate the take-up rate is that in the meantime we asked the provider to update the data submitted on the number of referrals due to deadlock to exclude No Contact Comms (NCC) letters, i.e. letters sent to customers who the provider cannot reach. In these letters TalkTalk explains to its customers that they can refer the matter to ADR if they so wish. However, these are not deadlock letters according to our definition and are not consistent with what we asked other providers for. In addition, as several NCC letters can be sent to the same customer in relation to the same complaint there were also concerns about double counting and hence we asked TalkTalk to not include them. However, the data on ADR take-up have not been updated to exclude recipients of NCC letters and are hence not comparable.

³⁰⁵ TalkTalk response to the statutory information request dated 5 June 2025. This data excludes complaints that received an NCC letter from eligible complaints as these do not conform with our definition of deadlock letters as explained in footnote 305.

³⁰⁶ TalkTalk response to the statutory information request dated 3 May 2024.

³⁰⁷ The estimated increase in operational costs is lower compared to what we had estimated in the consultation ([REDACTED]) due to the updated lower ADR take-up rate.

³⁰⁸ The estimated increase in compensation costs is lower compared to what we had estimated in the consultation ([REDACTED]) due to the updated lower ADR take-up rate.

³⁰⁹ To calculate additional costs, we have used the previously calculated average costs and compensations for settled and adjudicated complaints as well as the respective adjudication rates using data provided by CO.

operational costs on this basis would be around [£] per annum and extra compensation costs around [£] per annum.

- A3.89 TalkTalk has described to us a number of changes to its complaints procedures, which aim to improve the speed of resolution, customer satisfaction and lead to a reduction in escalation of complaints.³¹⁰ Any resulting improvements may therefore be expected to reduce the number of additional ADR letters and ADR complaints that might occur because of a reduction in the timeframe. This would also be likely to reduce the incremental operations and compensation costs below that we have estimated.
- A3.90 Prior to the consultation, TalkTalk explained that it may have to make internal changes to the complaints handling process if the timeframe were reduced and these changes would have an impact on costs.³¹¹ However, they said that they were not in a position at that time to provide any further detail on the nature of such changes or their impact on costs.
- A3.91 After the consultation, TalkTalk provided two examples of the likely one-off costs it would incur as a result of the reduction in the threshold. These were based on the implementation costs of two previous compliance projects and suggested that the one-off costs could range between [£] and slightly above [£]. TalkTalk also noted that the actual costs of reducing the threshold would probably lie at the lower end of the cost range provided.³¹²

³¹⁰ TalkTalk response to the statutory information request dated 19 September 2024.

³¹¹ TalkTalk response to clarification questions issued on 28th August 2024 after a meeting with Ofcom on 28 June 2024.

³¹² TalkTalk response to statutory information request of 5 June 2025.