Telecoms Customer Satisfaction Survey

Fixed Line Results

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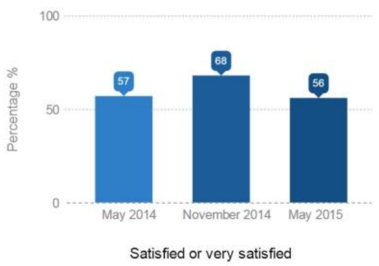
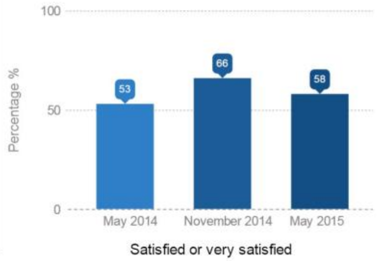
Telecoms Satisfaction Survey - Headline Results

Fixed Lines - Guernsey (Sure)

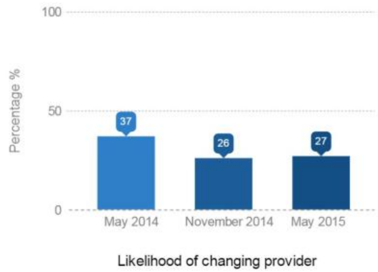
Quality of Service



Billing



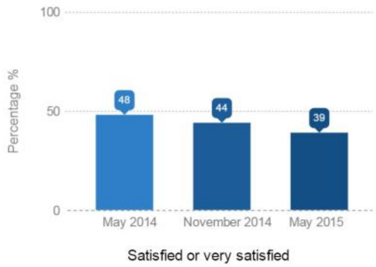
Likely or very likely to change provider in future



Around half indicated that price would be the main factor influencing their decision to change operator

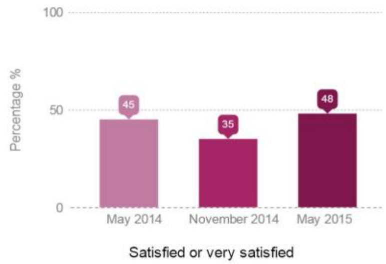
Satisfaction with customer service response

20%
had cause to contact customer services



Fixed Lines - Jersey (JT)

Quality of Service



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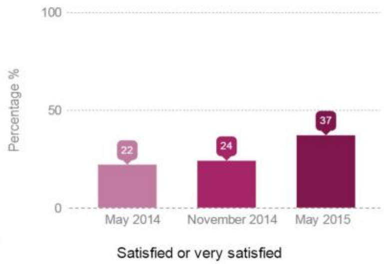
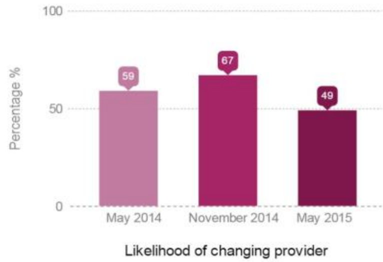


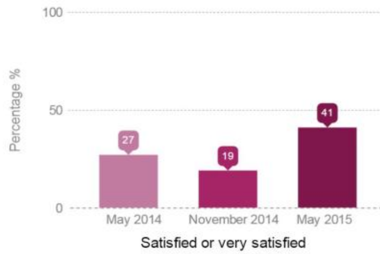
Likely or very likely to change provider in future



Around
4 in 10
indicated that price would be the main factor influencing their decision to change operator

Satisfaction with customer service response

35%
had cause to contact customer services



Introduction

This report on customer satisfaction with fixed line telecoms services is the first of three reports that we, the Channel Islands Competition and Regulatory Authorities (CICRA), will publish over the coming weeks.

We expect this report to help

- customers make decisions about which fixed line telecoms provider they subscribe to and which provider they choose in the future
- fixed line telecoms service providers by showing where they may need to improve to better meet their customers' expectations
- us to identify the most important issues for customers which will, in turn, inform our future work in the telecoms sector

We carry out this survey every six months so we can track changes in customer satisfaction over time and see how responsive the providers are to customer feedback. In May 2015 we commissioned our third survey of 500 customers[1] again focussing on the areas we know customers are particularly interested in: quality of service, billing and issue resolution (through customer services). The survey was conducted in Jersey and Guernsey seeking customers' views on these three areas for three types of services - fixed line telecoms services, which is the focus of this report, and broadband and mobile services, which will be the focus of future reports. Further details of our methodology can be found on our website www.cicra.gg.

At the time the survey was undertaken Channel Islands customers did not have a choice of fixed line provider; JT provided all fixed line services (sometimes referred to as landlines) in Jersey while Sure was the only provider in Guernsey. From 1 June 2015, as a result of steps taken by CICRA, Sure and JT have both been able to offer a wider choice of fixed line services across the Channel Islands. Other operators may choose to offer fixed line services in the future. We believe that all customers benefit from being offered a choice of provider even if ultimately they do not switch.

CICRA is the name given to the Jersey Competition Regulatory Authority and the Guernsey Competition and Regulatory Authority. In Jersey, we are responsible for regulating the telecoms and postal sectors along with administering and enforcing competition law. In Guernsey we are responsible for regulating the telecoms, postal and electricity sectors along with administering and enforcing competition law. Our aim is to ensure that consumers receive the best value, choice and access to high quality services in addition to promoting competition and consumers' interests.

1 Island Global Research (part of the BWCI Group) undertook the survey using primarily online survey methodology with the proviso that, if the sample achieved did not truly provide a robust sample of the community, there was an option to carry out face-to-face interviews. A robust sample of 500 self selecting participants in each island was achieved. The survey and the sample response were also robust in terms of quality and depth of response.

Quality of Service

Survey participants were asked the following question

'Overall how satisfied are you with the quality of the fixed-line service you receive from your provider?'

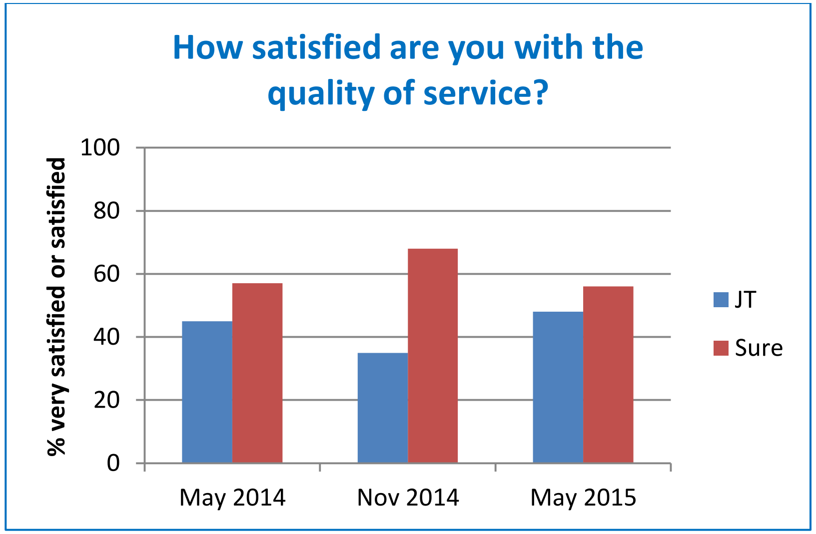
Participants were asked to answer on a scale of very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied.

In Guernsey, 56% of participants rated Sure's quality of service as satisfactory or very satisfactory, a decrease from 68% in November 2014.

In Jersey, 48% of participants rated JT's quality of service as satisfactory or very satisfactory an increase from 35% in November 2014.

By way of contrast nine in 10 residential customers in the UK were satisfied with their fixed-line service in quarter 1, 2014[2]

JT's results have improved since November, whereas quality of service results for Sure have declined. Overall quality of service for both operators has not shown sustained improvement since CICRA's first survey undertaken in May 2014 when 57% of Guernsey participants rated Sure's quality of service as satisfactory or very satisfactory compared to 45% of Jersey participants in respect of JT.



[2] Ofcom The Communications Market Report published 7 August 2014

Billing

Survey participants were asked the following question

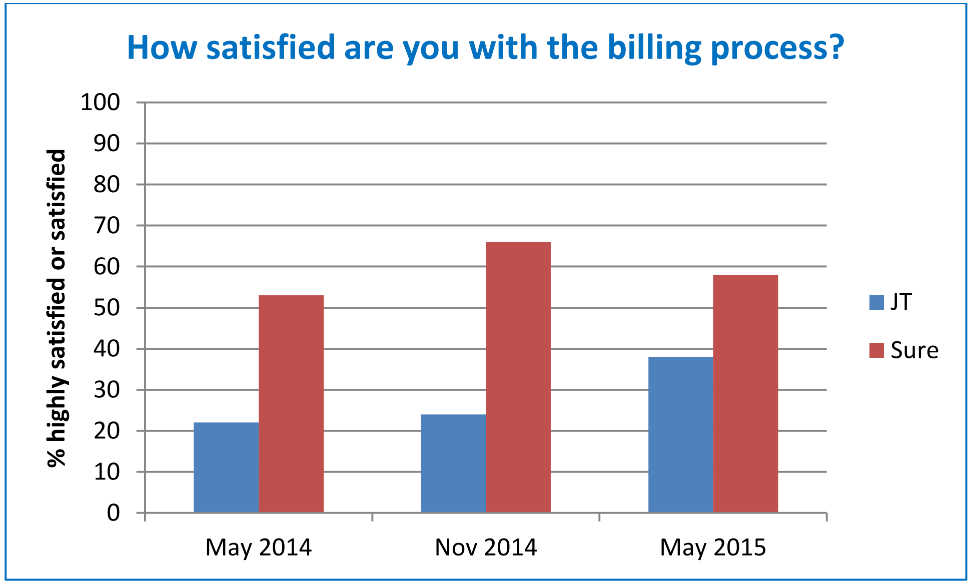
'How satisfied are you with regard to your provider's billing process for the fixed-line service?'

Participants were asked to answer on a scale of very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied.

In Guernsey, 58% of participants rated Sure's rated its billing as satisfactory or highly satisfactory, a decrease from 66% in November 2014.

In Jersey, 37% of participants rated JT's billing as satisfactory or highly satisfactory, an increase from 24% in November 2014.

It is also worth noting the reduction (from 29% in November 2014 to 11% in May 2015) in the percentage of customers rating JT's billing process as high unsatisfactory. Sure's comparative ratings were 3% and 4% respectively.



Customer Services

Survey participants were asked the following questions

'Over the last six to 12 months have you had to contact customer services with regard to your fixed line service? If yes how would you describe your overall experience dealing with customer services?'

Participants were asked to answer on a scale of very satisfied, satisfied, neither satisfied nor dissatisfied, dissatisfied or very dissatisfied.

Of the 500 people surveyed in each island 35% of Jersey participants (JT customers) indicated that they had cause to contact customer services in the past six to 12 months compared to two in 10 of Guernsey participants (Sure customers) who responded.

Of the 175 JT participants who had contacted customer services 41% found their experience to be satisfactory or highly satisfactory compared with 19% in November.

Of the 100 Sure participants who had contacted customer services 39% reported their experience to be satisfactory or highly satisfactory compared with 44% in November.

There is clearly room for improvement by both operators

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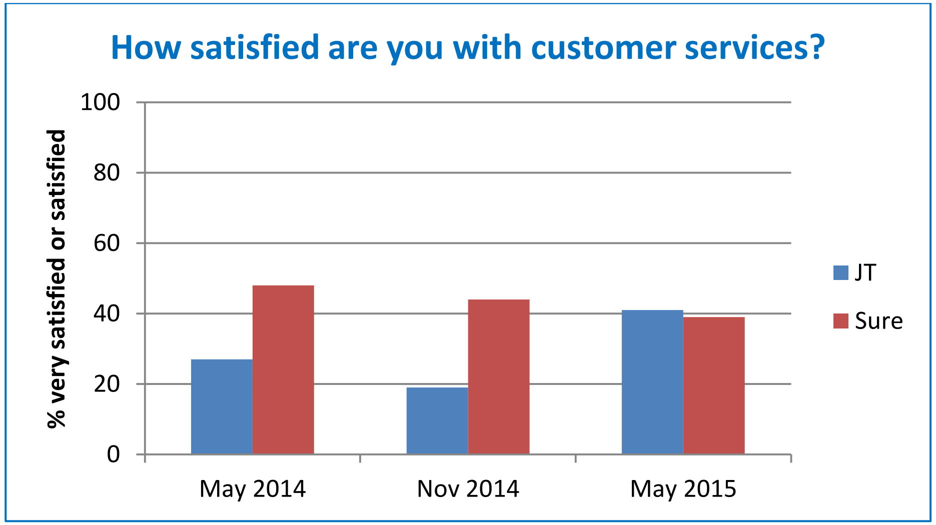


Switching providers

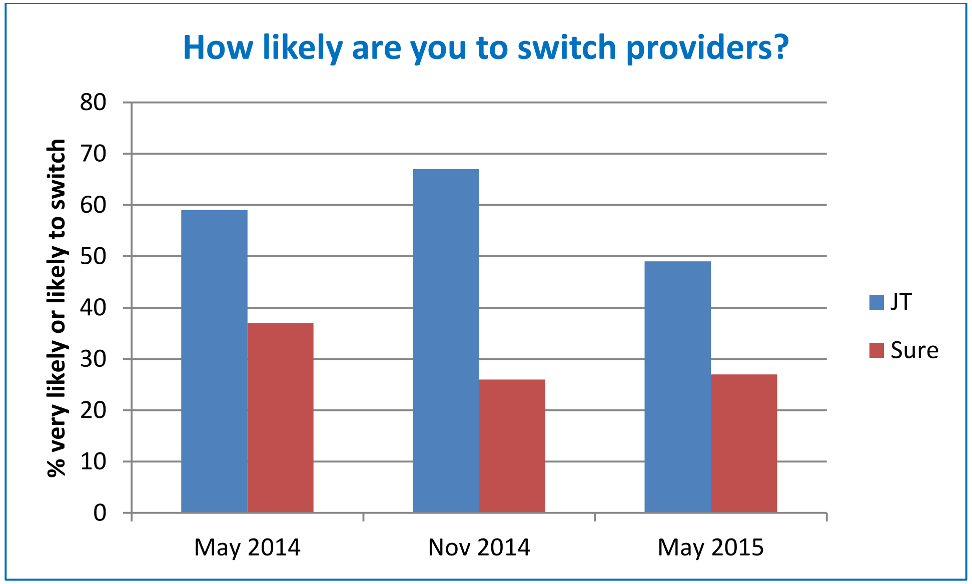
Survey participants were asked the following questions

'If there was an option to change your fixed-line provider to another existing Channel Islands operator, how likely would you be to change in the future? If you have answered 'very likely' or 'likely' what are your main reasons for possibly changing provider?'

Participants were asked to answer on a scale of very likely, likely, unsure, unlikely, or very unlikely.

Almost half of Jersey participants (JT customers) said that they were either likely (14%) or very likely (35%) to change their provider when they are able to do so compared with 27% of Guernsey participants (Sure customers). In both islands by far the biggest reason given for seeking to change operators was price.

From 1 June 2015 Channel Islanders have had a choice of fixed line provider with Sure and JT able to offer a wider choice of fixed line services across the Channel Islands.



What are we doing about it?

As a result of CICRA's actions, from 1 June 2015 customers have had a choice of fixed line provider enabling them to 'vote with their feet', should they choose to do so. Experience from other markets indicates that customers who have choice feel more empowered and able to influence their service provider even if they ultimately do not choose to switch.

As a result of the choices now open to customers we anticipate that telecoms service providers will seek to improve both the quality and pricing of their services to win new customers and to persuade their existing customers not to switch away from them. We also expect to see improved engagement by the service providers as they seek greater feedback from their customers and respond to that feedback.

We will provide all the (anonymised) data to operators and work with them to ensure their attention is focussed on the areas we consider will deliver the greatest improvement to customer satisfaction.

Next steps

We will release our second report on customer satisfaction with mobile telecoms services and our final report on broadband services shortly.

The survey will be repeated biannually with the next survey scheduled for November 2015. This will be the first survey to gather customer satisfaction results since the introduction of choice for fixed line telecoms services and will help customers make an informed choice of fixed line service provider, allow us to track the impact of the introduction of choice on customer satisfaction levels and track how service providers are performing in tackling underlying issues.

We want to take this opportunity to thank all who have participated in the survey. We would like to encourage consumers to participate in the next survey in November.