Our Customers
Better World – Our Commitment to Society


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Our customers

In April 2000, BT announced a radical restructuring of the BT Group to create a number of new operating businesses. One of the main reasons for this restructuring was to ensure an even more disciplined focus on each of our customer groups.

We recognise that “one size fits all” is no longer a viable approach to take to our customers.

BT Ignite provides a complete communications portfolio for corporate and wholesale customers anywhere in the world.

BTopenworld is a mass market internet business delivering services to approximately 1.3 million customers in the UK via BT internet and BT openworld broadband.

BT’s Wholesale provides comprehensive network services within the UK to more than 500 communication companies, network operators and service providers.

BT Retail provides services to residential and business customers to enable them to communicate with the world around them, using an extensive product and service portfolio covering voice, data, internet and multimedia, as well as managed communications solutions.

As at 30 September 2001, BT Retail had 28.3 million customer lines equating to a UK market share of approximately 83 per cent.

We are committed to improving our customer satisfaction and quality of service, to providing services for vulnerable customers and to providing a basic telephone service for all. Whilst some of the services provided by BT for customers are a regulatory or licence requirement, we often exceed these by providing additional levels of service.
Customer satisfaction

For the majority of people the extent to which a company takes its social responsibilities seriously has an impact on their consumer decisions and the number who consider this a very important factor in such decisions is increasing:

When forming a decision about buying a product or service from a particular company or organisation, how important is it to you that it shows a high degree of social responsibility?

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>Very important</td>
<td>24</td>
<td>28</td>
<td>41</td>
<td>41</td>
<td>46</td>
</tr>
<tr>
<td>Fairly important</td>
<td>46</td>
<td>49</td>
<td>41</td>
<td>44</td>
<td>43</td>
</tr>
<tr>
<td>Not very important</td>
<td>15</td>
<td>14</td>
<td>11</td>
<td>11</td>
<td>8</td>
</tr>
<tr>
<td>Not at all important</td>
<td>9</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

Source: MORI

As well as our social responsibilities, the quality of the service we provide, and our customers’ satisfaction with that service, is fundamental to our business. That is why we undertake a significant programme of customer research each year.

We talk to both our residential and business customers on a regular basis to gather their views about BT, the service we provide and our range of products, in order that we can continue to make improvements.

These surveys fall into three key categories. The first is our survey of the general population, interviewing in their homes an average of 3,500 residential customers per month about their overall perceptions of BT and quality of service. These surveys are conducted by BMRB International on our behalf.

The second major type of survey examines the perceptions and views of our business customers. This survey is conducted by NOP on our behalf and some 2,000 small and medium enterprise (SME) customers are interviewed every month by telephone.

The third major type of survey examines the views of a customer’s direct experience of BT. This can include such things as the provision or restoration of a service by the company or how a complaint made to BT has been handled. These surveys are again conducted on BT’s behalf by an independent agency, in this case FDS, with approximately 19,500 business and residential customers interviewed on a monthly basis.

These customer satisfaction and quality of service (http://www.bt.com/quality_of_service) measures are published every six months and can be found on our website.
Our research has shown that customers expect continuous improvement (surveys available in customer care and quality of service. Overall satisfaction with BT from residential consumer and SME customers is as follows:

% of residential customers expressing overall satisfaction with BT

<table>
<thead>
<tr>
<th>Year</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>86</td>
</tr>
<tr>
<td>1998</td>
<td>85</td>
</tr>
<tr>
<td>1999</td>
<td>89</td>
</tr>
<tr>
<td>2000</td>
<td>86</td>
</tr>
<tr>
<td>2001</td>
<td>80</td>
</tr>
</tbody>
</table>

Source: BMRB International
Sample: approx. 44,000

Our customers’ increasing communications sophistication, focus on value for money and media speculation on the under-performance of the telecommunication and technology industries have all impacted on the satisfaction score. BT’s focus is strongly aligned in improving the customer experience and the launch of pricing initiatives such as BT Talk Together and SurfTime in December 2000 shows BT’s commitment to customers.

Talk Together is a pricing option whereby for £14.99 per month (including VAT) customers receive unlimited local calls of up to 1 hour duration on weekday evenings (6pm – 8am) and weekends (6pm Fri – 8am Mon).

SurfTime provides customers with different payment options for accessing the Internet, such as pay-as-you-go or flat fee access at evenings and weekends.

% of BT SME business customers expressing overall satisfaction with BT

<table>
<thead>
<tr>
<th>Year</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1997</td>
<td>88</td>
</tr>
<tr>
<td>1998</td>
<td>88</td>
</tr>
<tr>
<td>1999</td>
<td>86</td>
</tr>
<tr>
<td>2000</td>
<td>82</td>
</tr>
<tr>
<td>2001</td>
<td>79</td>
</tr>
</tbody>
</table>

Source: NOP
Sample: Approximately 22,000

Small and Medium Enterprise (SME) business customers saw customer satisfaction improve for both ‘very satisfied’ and ‘overall satisfied’, over the course of the year, comparing the current six months results against Apr 00 – Sep 00. Over 79 per cent of customers currently are ‘Overall Satisfied’, with the trend over the year remaining constant.

This performance highlights the continued drive that is needed on focusing and improving the customer experience, whilst understanding that SME customer expectations are increasing and therefore are continually challenging the service offerings that we deliver.
In order to focus on delivering higher levels of customer satisfaction to the SME business customer, a series of service, sales and marketing key programmes have been compiled.

Some of these programmes, especially in marketing, have already started to deliver, with the majority of programmes starting to deliver results for SME customers in the new financial year. In respect of these programmes one of the areas being reviewed is the SME call reception area for requests for products and services. To support this, SME ‘customer verbatim’ comments are being used to highlight key areas i.e. ‘ease of placing order’. The SME customer contact strategy is therefore being reviewed in response to this feedback.

Outside the UK we measure awareness of BT and the image of the company among potential business customers and international opinion leaders.

**Comparable performance indicators**

In addition to the reports we publish every six months on our customer satisfaction and quality of service performance, BT is also one of the founder members of the UK telecommunications industry’s initiative on publishing Comparable Performance Indicators (CPI).

CPI is a voluntary cross industry initiative, involving consumer representatives, Oftel and telecom companies. It has been running now for six years, with information published by participating operators on their performance on the key activities, provision; repair; network faults; complaints and billing accuracy.

The data is collected by the telecoms companies using agreed procedures and it is checked initially by independent auditors and then by an independent body, the British Approvals Board for Telecommunications, to ensure a sufficient level of comparability in the application of the audit process.

The information published highlights both the operators’ internally measured performance and customer satisfaction with the specific service or activity.

The latest and previous reports can be found on the CPI website (http://www.cpi.org.uk/)

Residential customers can take advantage of a similar phone bills initiative (http://www.phonebills.org.uk) that compares prices as well as quality between BT and six other companies.


**Customer communications**

As well as undertaking regular surveys of our customers, we have a number of initiatives in place to help us understand customer concerns and issues which are important to them.

We operate a number of consumer liaison panels.

These consist of 12-15 consumers with a broad range of experience and usage of communications technology who are recruited from their local communities.

Feedback from panel members provides valuable insight into consumer thinking and informs the policy making process within BT.

The panels have discussed a range of issues including customer service, mobile telephony, payphones and the provision of services to customers with disabilities.

Panels are recruited and chaired by external specialists.

Alongside the general consumer liaison panels, two special interest panels were set up in Spring 2001 – one consisting of representatives from small and medium enterprises (SME) and the other of young people under 24.

We are also involved with the Telecommunications Advisory Committees (TACs).

These are groups (formally recognised by the DTI) of local people with an interest in telecommunications.

BT’s licence in the UK requires us to have regard to any representations that TACs may make, but we have always gone further than that.

We appoint a BT representative to attend each TAC meeting and act as a contact point with the company for any inquiries or representation that the TAC, or one of its members, may have.

We also publish a newsletter for TAC members – keeping them up-to-date with developments in the telecommunications industry.

BT provides a facility on its website which enables customers to e-mail comments (http://www.bt.com/Talk) about BT or to ask questions about any products or services. Thousands of e-mails are received every month through this.

We have face to face meetings with our top 200 business clients and host various internet sites for business customers to exchange ideas and information. In the banking sector we have invited our main customers to form an advisory forum.

Oftel, the regulator for the UK telecoms industry, publishes advice about how to make a complaint (http://www.ofTEL.gov.uk/crs/index.htm) to a telecoms company and also publishes the number and type of complaints it has received.

Some of the issues identified by customers as being concerns or ones that they wish to receive further information about are dealt with in the Hot Topics of Our Commitment to Society site.
Supporting our customers

The telephone is particularly important for elderly and disabled customers; for some it may be a lifeline, for others a way of living a more fulfilling life.

BT is committed to enabling all customers make the most of communications.

One of our major commitments is Typetalk (http://www.typetalk.org.uk), a national Text relay service, funded by BT and run by the Royal National Institute for Deaf People.

This service enables textphone users who may be deaf, deaf blind, hard of hearing or speech impaired to make and receive calls to or from hearing people.

We have funded the service since it started in 1990 and in July 2001 launched BT TextDirect. This is a new service that automates and simplifies the making and receiving of text calls to and from voice or other textphone users.

BT TextDirect will also provide, for the first time, sound based service signals such as busy or engaged in a text format.

The service received the innovative access award from the International Coalition of Access Engineers and Specialists.

We are also introducing a new type of text payphone in the UK. This will enable our customers to send e-mails and SMS messages. We introduced 2,000 of these payphones in the late summer of 2001.

All our existing payphones have inductive couplers. These improve the clarity and audibility of incoming speech for people wearing suitably-equipped hearing aids.

Customers who are visually impaired can get their billing information in a number of ways: Braille, large print, on computer disk, or through our “talking” telephone bill service.

Many other BT publications and user guides are also available in non-print formats and we run a free directory enquiry service for customers who cannot use a phone book because of a disability.

BT.com now offers its users an accessible version of the on-line Directory Enquiries service, which has been designed to give all users including people with disabilities easier access. It also allows people to set their own preferences, such as colour, from the homepage (www.bt.com/index_reader.jsp). This is part of a broader commitment to make the bt.com website fully accessible.

For customers who are unable to leave the house unaided and for whom the telephone is an absolute necessity, we operate a free priority fault repair service.

We also offer a service which makes it possible for vulnerable customers to nominate a third party with whom BT can get in touch in the event of a bill not being paid.

We will convert, free of charge, any vulnerable customer’s hard-wired lines to plug and socket and, where this has been done for a care alarm, we will relocate the socket next to an electricity supply free of charge.
BT has a variety of telephones, both corded and cordless, which have special features such as large buttons, voice amplification, headset sockets and pre-compose dialling. Pre-compose dialling allows a person to enter the telephone number before making the call. This is ideally suited for people who may have motor control problems or need a little extra time to dial out.

Our In Touch range of telephones include a button that can be activated to alert friends, families or carers in an emergency.

A version of the unit is also available for caring control centres.

We have trained a number of our engineers in disability awareness so that – when working at the premises of customers with special needs – they can offer advice on services to help the customer.

In addition, we have given around 40,000 of our customer-facing people training on the Disability Discrimination Act.

We publish a guide, available to professionals on all our services for older or disabled customers and have a web site (www.bt.com/age_disability) which provides more information.

Braille, audiotape or large print versions are also available: phone 0800 800 150 (voice) or 0800 243 123 (text).
A basic telephone service for all

BT recognises that a phone service can act as a lifeline and so we have worked to help provide a basic telephone service for all, including those on low incomes or who have trouble paying their bills.

Our Light User Scheme is specifically designed to help those people who need to stay in touch but make very few calls themselves.

It is available to people whose quarterly call charges fall below £15.45 (excluding VAT) and who are not on any BT discount schemes. The scheme provides rebates of around 60 per cent on line rental.

We have another service, called In-Contact Plus, which enables customers to receive incoming calls and make outgoing calls to the emergency services, for a joining fee and quarterly rental charge of less than £10. In addition, customers can make outgoing chargeable calls using Phonecard Plus.

Payment

We operate a number of ways for customers to pay their telephone bills. These include Monthly Payment Plan, Quarterly or Monthly Direct Debit, BT Payment Card, Debit Card via the Internet, cheque, cheque sent to our Receipting Centre, cash or cheque at the Post Office, Bank Giro Credit, Homebanking and BACS.

We also operate a service, Call My Bill, that gives customers the opportunity to check their call usage since their last bill and find out when the next one will be produced.

This service is available free of charge, 24 hours a day, on 0800 854 608 and can be accessed from any line within the UK.

Because we recognise that, from time to time, our customers may have difficulty paying their bills, we have published a Bill Payment Code of Practice, which describes our procedures for requesting payment and the help customers can expect if they have problems paying.

Disconnection

Disconnection is an issue of concern for customers and consumer groups and for BT it is an act of last resort.

In a typical year, BT issues millions of bills, first reminders and second reminders to its residential customers.

If we still do not receive payment after the second reminder, which is usually given by phone, we then restrict that customer’s service to incoming calls only (although calls to emergency numbers and BT are still possible).

We only consider disconnecting the service if payment is still not forthcoming or we are unable to negotiate a realistic payment plan with the customer.
If a customer is temporarily disconnected because of failure to pay the bill, there is a reconnection fee (£32.80 exclusive of VAT) and if a customer’s service is ceased for non-payment, BT require payment of a reprovision fee (£56.26 exclusive of VAT) as well as settlement of the outstanding debt.

These charges reflect the credit management costs incurred by BT.

Number of gross disconnections (residential customers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of gross disconnections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998/9</td>
<td>781,948</td>
</tr>
<tr>
<td>1999/0</td>
<td>1,067,972</td>
</tr>
<tr>
<td>2000/1</td>
<td>964,810</td>
</tr>
</tbody>
</table>

Number of gross disconnections (business customers)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of gross disconnections</th>
</tr>
</thead>
<tbody>
<tr>
<td>1998/9</td>
<td>124,226</td>
</tr>
<tr>
<td>1999/0</td>
<td>182,651</td>
</tr>
<tr>
<td>2000/01</td>
<td>91,262</td>
</tr>
</tbody>
</table>

**Nuisance Calls Bureaux**

BT operates a national network of Nuisance Calls Bureaux to help and support customers receiving nuisance calls.

The Bureaux were launched nationally in July 1992 following pilot trials in Canterbury and Blackburn.

Initial enquiries are answered by a dedicated team of advisors in the Londonderry Nuisance Call Advice Centre, who are trained to offer simple advice and solutions. This Centre is manned 24 hours a day, 365 days of the year.

The more complex cases are passed on to Nuisance Call Bureau Specialists, when nuisance call problems may require police investigation or maybe call tracing. These specialists are trained in police liaison and may appear in court as prosecution witnesses if necessary.

The Nuisance Call team can be contacted 24 hours a day on 0800 661 441.
Is it mandatory or voluntary?

Although some of the services that we provide for customers are a regulatory or licence requirement, we often exceed these requirements by providing additional levels of service.

<table>
<thead>
<tr>
<th>Service</th>
<th>Is it mandatory or voluntary?</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Publication of comparable performance indicators (CPI)</td>
<td>Voluntary</td>
<td>BT, together with other telecommunications companies, provides OfTEL with comparable quality of service results for publication by them on a six monthly basis. Most of the information currently available was already published by BT before the agreement.</td>
</tr>
<tr>
<td>Consumer liaison panels</td>
<td>Voluntary</td>
<td>BT has been running these since 1984 to help us identify and understand consumer concerns.</td>
</tr>
<tr>
<td>Typetalk/Text Direct</td>
<td>Mandatory</td>
<td>BT provided significant financial support to Typetalk voluntarily prior to this becoming a licence condition. BT’s provision of the text users rebate scheme is a regulatory requirement. BT’s actual licence obligation is to provide access to a relay service, currently discharged by Typetalk. This will be covered by the new BT TextDirect service from 4 July 2001.</td>
</tr>
<tr>
<td>Free priority fault repair service for some customers</td>
<td>Mandatory and voluntary</td>
<td>BT provides priority to customers considered at risk through disability, age or some other factor. It is a regulatory requirement to provide a priority fault repair service to disabled customers who have a bona fide need for an urgent repair. However, BT has provided the service more widely.</td>
</tr>
<tr>
<td>Service</td>
<td>Is it mandatory or voluntary?</td>
<td>Notes</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------------------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Directory enquiry information for those unable to use a phone book</td>
<td>Mandatory</td>
<td>BT is obliged to provide a free directory enquiry service to disabled customers who cannot use a phone book.</td>
</tr>
<tr>
<td>Billing and general information for disabled customers in Braille, large print or on audiotape.</td>
<td>Mandatory</td>
<td>BT has provided bills and some of its publications to disabled customers in alternative media voluntarily for many years. As a result of the Disability Discrimination Act, one of the conditions of BT’s operating licence was amended in October 2000 to require contracts and bills to be provided, upon request, in an acceptable alternative format. Under the Disability Discrimination Act 1995, BT also has wider obligations to provide any customer contact in alternative media.</td>
</tr>
<tr>
<td>Public payphones with inductive couplers</td>
<td>Mandatory</td>
<td>BT has had a licence condition requiring inductive couplers in public payphones for a number of years.</td>
</tr>
<tr>
<td>Nuisance calls bureaux</td>
<td>Voluntary</td>
<td>BT set up a network of these on a voluntary basis to offer expert advice and practical action to help victims of malicious and nuisance calls.</td>
</tr>
<tr>
<td>Production of telephones for disabled customers</td>
<td>Voluntary</td>
<td>BT is licensed as a network operator and no longer has any obligations to supply apparatus. In practice, we supply a much wider range of equipment for disabled people than was required under the licence in the past.</td>
</tr>
<tr>
<td>Light User scheme</td>
<td>Mandatory</td>
<td>This scheme was designed to meet targets agreed with OfTEL for reducing both the number of disconnections and the number of people without access to a telephone.</td>
</tr>
<tr>
<td>Service</td>
<td>Is it mandatory or voluntary?</td>
<td>Notes</td>
</tr>
<tr>
<td>---------------------------------</td>
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<td>-------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>In-Contact Plus scheme</td>
<td>Mandatory</td>
<td>There is a general licence requirement that BT should provide a restricted service scheme in accordance with guidelines agreed with Oftel. The precise form of such schemes is subject to negotiation. Our former “In Contact” scheme was upgraded to “In Contact Plus” in March 2001.</td>
</tr>
<tr>
<td>Provision of emergency services</td>
<td>Mandatory</td>
<td>BT provides a free emergency assistance service that handles 20 million calls a year. Whilst this is a condition of our licence, we aim to ensure a high quality of service by answering 94.9% of calls within 5 seconds. BT is currently implementing a £20 million programme to upgrade the switch technology used in the handling of 999 calls and operator assistance enquiries.</td>
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</table>