

Customers



let's make a
better
world

Customers

23%

Customer dissatisfaction – reduced by 23% on a compound annual basis over the past three years.

We intend to be the best provider of communications services and solutions for everybody in the UK and corporate customers worldwide, working through partnerships.

We serve over 20 million business and residential customers in the UK and have more than 29 million exchange lines. We also provide network services to other licensed operators.

Our extensive global network and strategic partnerships enable us to serve multi-site corporate and government customers in all key commercial centres of Asia, Europe and North America. In Europe, our network links more than 250 towns and cities across 19 countries.

Here we explain our approach to:

- Customer satisfaction
- Customer communications
- Looking after the customer
- Services for customers
- Voluntary and mandatory services
- Wireless communications and health
- Broadband
- 21st Century Network.

Customer satisfaction

Improving customer satisfaction is the cornerstone of our strategy.

We have established the strategic target to outperform our competitors consistently and reduce customer dissatisfaction by 25 per cent a year over the three years to the 2005 financial year. We have not met this target and achieved a 23 per cent reduction in customer dissatisfaction on a compound annual basis over the past three years.

The quality of the service we provide – and our customers' satisfaction with that service – is fundamental to our business.

We are committed to listen to our customers through our millions of day-to-day interactions with them and through one of the largest customer-research programmes in the UK.

Here we describe:

- Our customer satisfaction measures
- Comparable performance indicators
- Initiatives to improve customer satisfaction
- Quality of Service report.

Satisfaction measures

To improve levels of customer satisfaction, we need a thorough understanding of what makes customers satisfied and dissatisfied.

To achieve this, we carry out more than 3,000 face-to-face interviews with residential customers every month. We ask them about their overall perception of BT and the quality of service. Customers who use competitors are asked how satisfied they are with our competitors. The interviews also examine image and reputation, price and value, contact and experience, and products and services.

In addition to our own surveys, an independent agency seeks the views of about 10,800 business and residential customers each month. These interviews include questions on the provision or restoration of a service, or how a complaint made to BT was handled.

The perceptions and views of our business customers are surveyed by another independent agency. An average of 1,900 BT business customers and 450 corporate and government customers are interviewed every month by telephone.

BT Global Services uses three types of survey to measure customer satisfaction:

- Face-to-face interviews, normally with senior decision-makers in the larger organisations
- Tracker surveys, an overall satisfaction survey conducted over the telephone
- An Event Driven Customer Satisfaction Survey, which is a telephone survey conducted immediately after a repair or provision event.

We publish customer-satisfaction and quality-of-service measures every six months.

Customer dissatisfaction

Customer dissatisfaction measures those customers who are fairly, very or extremely dissatisfied with BT.

We set a target to reduce customer dissatisfaction by 25 per cent a year over the three years to the 2005 financial year. Although we have not met this target – we achieved a 23 per cent reduction on a compound annual basis over the past three years – we believe the improvements we made in our customer services have been beneficial to all our customers.

Customer satisfaction

Customer satisfaction is a measure of those customers who are fairly, very or extremely satisfied with BT.

BT Retail's performance – tested over the last three months of the past three financial years – indicates progress.

Satisfaction scores for residential customers

	BT	Competition
2000/2001	80%	
2001/2002	77%	76%*
2002/2003	76%	75%*
2003/2004	79%	71%
2004/2005	85.9%	NA

Source: (Data Source NOP World)
Sample: Approximately 63,000

Satisfaction scores for business customers

	BT	Competition
2000/2001	79%	
2001/2002	64%	62%*
2002/2003	80%	73%*
2003/2004	83%	76%
2004/2005	82.4%	NA

Source: NOP (from September 2000), prior to that Market Insights
Sample: Approximately 42,500

* Accumulated average for the last three months of the year

We carry out detailed surveys of satisfaction with different aspects of service and use the percentage of customers who are satisfied overall with the provision of service or service repair as a measure.

The results for the 2004/05 financial year among BT Retail customers are:

	Consumer satisfaction with provision	Business satisfaction with provision	Consumer satisfaction with repair	Business satisfaction with repair
2001/2002	92%	84%	79%	84%
2002/2003	88%	85%	81%	85%
2003/2004	93%	86%	78%	84%
2004/2005	92%	83.2%	74.2%	80.9%

Initiatives to improve customer satisfaction

Our customers have told us that we must:

- Be easy to contact
- Keep them informed (we shouldn't need to be chased)
- Take ownership of their issues and champion their cause
- Live up to the commitments we make to them.

These principles guide us in all our initiatives to improve customer satisfaction. They demonstrate that satisfaction depends on price and the quality of service.

Quality of Service report

Our quality of service is fundamental to the success of our business. This is why we operate one of the UK's largest programmes of customer research. We talk to our residential and business customers regularly to gather their views about BT, the service we provide and our range of products. This is essential in order to improve.

View the [Quality of Service reports](#) available online.



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Customer communications

We need to know what our customers' concerns are if we want to keep them satisfied. We have established a number of consultation initiatives to help us identify these concerns.

We also provide ways for our customers to bring issues and complaints to our attention.

Consultation

We undertake in-depth consultation to understand our customers' needs and concerns.

Consumer liaison panels

We run a number of consumer liaison panels across the UK. These consist of 12-15 consumers with a broad range of experience. They also represent different needs, interests, ages and cultural backgrounds. The panels are recruited and chaired by independent external specialists.

Feedback from panel members provides valuable insights into consumer thinking and informs the policy-making process within BT. The panels regularly discuss a range of issues including customer service, how we keep customers informed, mobile telephony, payphones, billing, access to and marketing of broadband technology, and the provision of services for customers with disabilities.

Specialist interest panels

We have set up a number of specialist interest panels to explore the views of particular groups of customers - for example, small and medium-sized enterprises (SMEs), broadband users and young people.

Listening to consumers

We listen carefully to consumers' views and build feedback directly into policy-making and service provision. For example:

- The Brighton and Hove consumer liaison panel looked at how BT handled problems and complaints from customers. The discussion covered areas such as the distinction between problems and complaints, triggers for problem-raising and principles for effective problem management. The panellists also discussed customer access to BT and how calls and problems are handled.

- A Bristol panel discussed how consumers choose a telecoms provider. This included what triggers them to leave BT and what encourages them to return. BT's win-back marketing was examined.

- A Manchester panel discussed premium-rate services, in particular awareness, charging, regulation and policing arrangements. Mention was made of drop-in diallers and what BT does to inform customers about their threat. The panel also discussed 118 numbers and the call return facility on the BT 1471 service.

Complaints

We are committed to provide the best telecommunications service. However, sometimes things go wrong, and when they do, we want to put them right as quickly as possible.

When a customer calls BT, an adviser will try to solve the problem as quickly as possible, preferably during the phone call. If this is not possible, we will agree a course of action. Billing queries are more complex and may take a little longer to resolve.

If a customer is unhappy with our response they can ask for the matter to be referred to the appropriate senior manager. If the complaint still cannot be resolved, the case can be taken to the BT Complaint Review Service. The Service will review all aspects of the case and strive to resolve the matter to the customer's satisfaction.

More information on BT's complaints procedure is provided in the Service Guide '[Complaints about our Service](#)'. Ofcom, the regulator for the UK communications industry, publishes advice about how to make a complaint to a telecoms company.

Services

We want to make sure we help customers gain the benefits of telecommunications while helping to protect them from those who abuse the network.

Here we explain our approach to:

- Advertising
- Disconnection
- Internet abuse
- Nuisance calls
- People on low incomes
- Premium rate numbers
- Payphones and inclusion
- Services for customers who are older or disabled
- Voluntary and mandatory services.

Advertising

As one of Britain's largest advertisers, we not only have a public duty to uphold the highest standards of advertising, but a great deal to gain from adopting such standards. By promoting such a culture, BT can:

- Avoid adverse publicity
- Avoid risk of prosecution.

BT's values in this area are set out in the BT Statement of Business Practice and the BT Competitive Marketing Principles.

The BT Statement of Business Practice states that BT will be truthful and accurate in all our communications with customers, and be helpful and honest in all our dealings with them.

The BT Competitive Marketing Principles refer to BT selling its products and services positively, on their merits, persuading customers to buy BT because of excellence in facilities, price, delivery, quality, service and value for money.

In the 2005 financial year, there were 12 complaints made to the Advertising Standards Authority about BT and nine of these were upheld.

Internet abuse

Internet abuse falls into two categories - content and contact. Content refers to websites, files and images that are posted as a 'one way' communication, where the person posting the illegal content and those using it have no immediate relationship. Contact, however, covers person-to-person contact over the Internet - either between two people abusing the net by common agreement, or someone approaching a child or harassing a victim over the net.

We have introduced 'Cleanfeed', which uses the latest technology to block child abuse sites blacklisted by the UK Internet industry body, Internet Watch Foundation. The blacklist consists of a worldwide list of child sexual abuse websites that have been assessed as "illegal to view" in the UK under the 1978 Child Protection Act. Illegal child sexual abuse material is the only material under UK law where possession (by downloading from a website) is a criminal offence in itself. In effect, this means the blocking technology will prevent an offence being committed, and is therefore a direct crime prevention measure.

The technology blocks any blacklisted material. This could be a whole site, a page or even a picture. A customer who tries to access a blacklisted site will see the 'error 404' message. There will not be any indication that

the material is blacklisted. The technology does not have the capability to record access attempts. By its very nature, the system prevents a crime being committed. We are not able to record access attempts.

Disconnection

We regard a disconnection as a failure and make every effort to avoid it. We offer flexible payment options to help customers budget for bill payment. If customers have temporary payment difficulties, we are eager to work with them to avoid the need to disconnect. For example, we are willing to agree payment plans to help customers pay over a longer period than usual.

If we do not receive payment after issuing the first reminder, we will give the customer a second reminder, usually by telephone. If we still do not receive payment, or have been unable to agree a payment plan, we restrict the customer's service to incoming calls only (except for calls to BT and emergency numbers). We only consider temporarily disconnecting the service from outgoing and incoming calls if payment is still not forthcoming or we are unable to negotiate a realistic payment plan with the customer.

Our [Bill Payment Code of Practice](#) describes our procedures for requesting payment and the help customers can expect if they have problems paying.

We have updated the reporting measure used this year from 'telephone lines' disconnected to that of 'accounts' disconnected. Accounts are more representative of a single household or single business.

Total number of disconnections* (residential customers)

Financial Year	Total number of disconnections
2000	1,067,972
2001	964,810
2002	1,061,036
2003	1,051,545
2004	981,336
2005	981,307

Total number of disconnections* (business customers)

Financial Year	Total number of disconnections
2000	182,651
2001	91,262
2002	292,432
2003	301,926
2004	132,528
2005	161,265

* This includes those who pay after disconnection and reconnect before their service is formally terminated.

For more information, see [BT Customer Service](#).



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Low incomes

A phone service can act as a lifeline. We provide a basic telephone service for all, including people on low incomes or those who have trouble paying their bills. The services are:

BT's Light User Scheme. This is for those who need a phone but make few calls because they can't afford them. It is available on any BT residential phone line, except for those with more than one phone line, or those who use phone services from another provider. Customers on the scheme pay standard rental and call charges, receiving a rebate providing their bill is below a certain level. Around two million customers benefit from the scheme at a cost to BT of around £70 million a year. This is a level of support for the needy that we believe is unmatched by any other UK business.

BT In-Contact Plus is a basic telephone service available to new and existing customers. It offers normal incoming call facilities, but with outgoing calls restricted to 999, 112, 150, 151 and 12822 (Ring Me Free). The service is aimed at customers who previously could not afford a telephone service, as well as those customers who need to control their telephone costs. The joining fee is £9.99 (inc VAT), and there is a quarterly rental of £9.25 (inc VAT).

BT Pay & Call is a new, exciting 'pay as you go' service only available from BT. It provides a BT fixed line service which is pre-paid by credit or debit card or by using BT's Pay & Call Payment Card (cash payments at [PayPoint](#)). Over 100,000 customers use the service.

Nuisance Calls Bureaux

BT voluntarily operates a Nuisance Calls Bureaux (NCB) to help and support customers receiving malicious and nuisance calls. Initial enquiries are answered by specially trained advisers who offer simple advice and solutions. The NCB is open 24 hours a day, 365 days a year.

Complex cases, which may require police investigation or call tracing, are passed on to NCB specialists who 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**.

Premium-rate service numbers

We have received a number of complaints about higher than expected telephone bills, usually as a result of the installation of software diallers that call premium-rate services from computers. In some cases the installation is done secretly via the Internet, or it is installed by someone other than the bill payer. In many cases, the installation is perfectly legitimate but customers are unaware of the cost implications.

BT has taken action. We have:

- Barred calls to over 1,000 of the numbers allegedly involved
- Offered to all customers a free barring service to premium-rate numbers and a removable bar for premium rate and international calls, for £1.75 a month
- Provided information about premium rate services to customers. This included emailing 1.8 million retail Internet customers, placing information on our BT Yahoo! website

and our main website at www.bt.com, and including information in the Update magazine that comes with BT bills sent to our 20 million customers.

We investigate individual cases where customers feel they have been wronged. We cannot waive charges because only a small percentage is kept by us. We are, however, flexible about payment terms and in some circumstances donate our share of the revenues to charities such as Childline.

Payphones and inclusion

We have a legal duty - known as a Universal Service Obligation - to ensure that basic, affordable telephone services are available to all consumers, anywhere in the UK. This is why we ensure that payphone services are provided to meet community needs, including rural communities.

We currently have around 66,400 public payphones in operation (this figure excludes Northern Ireland). Call minutes from public payphones have fallen considerably. This is mainly because of the increased use of mobile phones - making many payphones unprofitable.

BT's challenge is to meet regulatory requirements on access, while ensuring that our payphone operations are financially viable.

During the 2005 financial year, we reduced costs by removing 6200 payphones. This did not leave any communities without a payphone service.

E-payphones

We have 1300 public e-payphones installed in the UK, enabling customers to use the Internet, send emails and text messages and make phone calls. We have also developed a number of joint initiatives with local councils to enable communities to access on-line government services.

Services for customers who are older or disabled

Our aim is for everyone to have the same freedom and opportunity to communicate. Our Age & Disability Team works in BT and in communities to enhance the sense of well being of elderly people with disabilities. We provide a range of services and advice to ensure that older people and people with disabilities benefit from modern communication services.

BT TextDirect and RNID Typetalk

Launched in July 2001, BT TextDirect is the world's first service to provide textphone users access to the telecommunications network. Automatically bringing in a Typetalk operator to relay the call if required, it has simplified the making and receiving of calls between voice and textphone users.

BT TextDirect automatically calculates a rebate on text calls (which are longer in duration) to ensure they cost no more than voice calls.

Typetalk is the UK's national text relay service, funded by BT since 1990 and run by the Royal National Institute for Deaf People (RNID). The service enables textphone users - who may be deaf, deaf blind, hard of hearing or speech-impaired - to make and receive calls to and from hearing people.

Consultation

We maintain our long tradition of consulting with people with disabilities. The BT Disability User Panel, whose members are BT people with an interest in disability, provides us with early feedback on new products and services to ensure accessibility.

In the 2004 financial year, BT Text was launched as a mainstream service to enable SMS messages to be sent between mobile and fixed lines. The technology converts text messages to voice, helping visually-impaired people hear the text message, and hearing-impaired people communicate with those who hear.

Billing

BT has been providing bills in alternative formats since 1992, including braille, large print, computer disk and our talking bill service. These are provided at the same time as customers receive their standard bill. Many BT publications and user guides are also available in alternative formats.

BT also has a Protected Services Scheme that lets vulnerable customers nominate a third party to manage their bills, for instance in the event that they have a spell in hospital.

Directory enquiries

We continue to provide the 195 free directory enquiry service for customers who cannot use a phone book because of a disability. Our website also offers an accessible, on-line directory enquiries service which has been designed to give all users easy access.



Customers continued

Voluntary and mandatory services

BT takes pride in pioneering services for customers and we seek to provide levels of service that go beyond the mandatory requirements. Some of the services that we have been offering voluntarily have become a licence requirement.

Voluntary services

Service	Notes
Publication of comparable performance indicators (CPI)	BT and other telecommunications companies participate in the CPI forum and provide comparable quality of service results, which are published every six months. Most of the information currently available was already published by BT before the CPI agreement.
Consumer liaison panels	BT has been running Consumer Liaison Panels since 1984 to help identify and understand consumer concerns.
Nuisance Calls Bureau	BT set up this facility voluntarily to offer expert advice and practical action to help victims of malicious and nuisance calls.
Production of telephones for disabled customers	BT supplies a wide range of equipment for disabled people.

Mandatory services

Typetalk/TextDirect	BT provided significant financial support to Typetalk voluntarily, before this became a licence condition. The text users rebate scheme is a regulatory requirement for BT.
Free priority fault repair service for some customers	BT is obliged to provide a priority fault repair service to disabled customers. We extend this service to customers at risk because of age or other factors.
Directory enquiry information for those unable to use a phone book	BT is obliged to provide a free directory enquiry service to disabled customers who cannot use a phone book.
Billing and general information for disabled customers in braille, large print or on audiotape	BT has voluntarily provided bills and some of its publications in alternative format to disabled customers for many years. It is now part of BT's operating licence requirements to provide contracts and bills in an acceptable alternative format upon request. Under the Disability Discrimination Act 1995, BT also has wider obligations to provide any customer contact in alternative media.
Public payphones with inductive couplers	BT is required to provide inductive couplers in public payphones.
Light User Scheme	This scheme was designed to reduce the number of disconnections and the number of people without access to a telephone. It enables BT to meet its Universal Service Obligation to accommodate consumers with special social needs.
In-Contact Plus	This is another service that enables BT to meet its Universal Service Obligation towards consumers with special social needs.
Provision of emergency services	BT provides a free emergency assistance service that handles over 30 million calls a year. We aim to ensure a high quality of service by answering 95% of calls within five seconds.

Wireless communications and health

With the demerger of mmO2 in November 2001, BT ceased its mobile network operations but retained a number of mobile services, products, activities and interests. These include:

- BT markets its consumer mobile phone offering on-line at www.bt.com/homeplan and sells mobile voice and data products into the business market through direct sales channels. BT offers a range of mobile phones from several phone manufacturers.
- BT phones operate on the Vodafone network for both business and consumer mobile services
- BT operates an extensive Public Wireless Local Area Network (LAN) network and a number of Private Wireless Local Area Networks (WLANs) in its own buildings
- BT installs Private Wireless LAN networks in business locations and sells the components for BT customers to install their own Wireless LAN networks at home or in their offices
- BT infrastructure (including some BT exchanges, buildings and telegraph poles) is used to house mobile phone base stations and aerials.

Handsets

All mobile phones sold by BT fully conform with the international safety standards on exposure to radio frequency (RF) emissions set by the International Commission on Non-Ionising Radiation Protection (ICNIRP) and the [National Radiological Protection Board](#).

BT also monitors all relevant scientific findings relating to mobile phone health issues and follows the advice of the [World Health Organisation \(WHO\)](#) and other leading health organisations.

It is also possible to measure how much radio wave energy your body receives from each model of mobile phone. This is called the specific absorption rate or SAR. There is a European Standard method for measuring the SAR and this information is provided to consumers for each model of mobile phone sold in the UK. BT offers a range of mobile phones from several manufacturers, who all apply these standards.

The January 2005 updated [Stewart Report](#) on the possible health effects posed by mobile phone technology, including base stations concluded that "there is no hard evidence to suggest that mobile phone technologies put the health of the general population at risk."

Mobile base stations

BT follows the highest industry standards and code of practice relevant to its operations. For example, BT requires that the ICNIRP guidelines on radio frequency (RF) emissions are applied on all BT sites used by mobile operators.

In addition to ICNIRP standards a number of other measures relating to RF and base station deployment are built into an industry code of practice, known as the ten industry commitments. BT was a signatory of this code of practice and adheres to all its core principles. Further details of these practices can be found on the [mobile operators'](#) website.

BT offers mobile operators a service called Microconnect. This is a network of small low-powered antennas mounted on street furniture - such as lighting columns and lamp-posts - designed to provide mobile phone coverage in city centres. The exposure levels from these small devices will be hundreds of times below the ICNIRP guidelines at street level. Before

installing the new Microconnect antennas we undertake consultations in line with the industry commitments.

The WHO advises that "RF field levels around base stations are not considered a health risk". It also states that "in many urban areas television and radio broadcast antennae commonly transmit higher RF levels than do mobile base stations". For more information on WHO guidance and fact sheets, see [WHO](#).

Wireless LAN

BT owns and operates one of the largest Public Wireless LAN networks in the UK (BT Openzone). Public WLAN require considerably lower power and radiation levels than the GSM standards.

Additionally, the main application of Public Wireless LAN is for data devices (such as laptop, PDA or tabletop device) with the transmitting antenna positioned some way away from the user's head. This was the main area of concern with mobile telephony power absorption.

Therefore, the radio power levels near Public Wireless LAN sites are significantly lower than around mobile phone antennas and devices, all of which are well within the guidelines and recommendations of the UK Government Health advisory bodies.

Similarly, any Private Wireless LAN site, which uses exactly the same technology, standards, equipment and power radiation levels as the Public sites, are deemed to be significantly well within all current and known standards and guidelines for safe usage.



Customers continued

RA audits and industry consultation procedures

BT makes public the locations of existing antennas on the [Radiocommunications Agency \(RA\) Sitefinder website](#). Additionally, the RA has completed a number of audits of sites near schools and hospitals in 2001 and 2002. The results, published on the website, show that exposure levels are many hundreds to thousands of times below the ICNIRP public exposure guidelines.

BT liaises with relevant local development authorities about network growth and the planning of mobile phone antenna deployment, as recommended by the industry code of practice. A number of different consultation models were agreed by the industry partners in the framework of the ten commitments. BT - along with all mobile operators in the UK - applies these models according to a range of criteria on a site-by-site basis. One of the commitments we made is to share masts wherever possible. More information can be found on the [mobile operators'](#) website.

Broadband

Broadband means fast, always-on access to the Internet - up to ten times faster than a normal narrowband telephone line. The technology has far-reaching social and economic impacts because it stimulates innovation and economic growth by providing easy access to information on the Internet and the ability to work away from the office and in remote areas.

We are committed to provide broadband as widely as possible. At the end of March 2005, we achieved five million connections, meeting our target a year early.

By the summer of 2005 we expect to have extended coverage to exchanges serving 99.6% of UK homes and businesses. According to the Organisation for Economic Co-operation and Development (OECD), the UK is now leading the way in broadband availability among the G7 countries.

21st Century Network (21CN)

BT's network is being transformed to handle modern communications efficiently. We call it the 21st Century Network (21CN) programme. Key features are:

- Customers will be able to access any communications service from any device from anywhere - at broadband speed
- It will provide a world-class customer service, from accessing and managing a range of services, to receiving and paying the bill
- It will radically simplify BT's operations, including lower costs and the capability to launch new services faster.

