

Customers

Our customers are at the heart of what we do and improving customer service is a critical focus for us. Understanding our customers' needs and responding to them quickly and with insight helps to set us apart from our competitors.

We operate in some 170 countries and are dedicated to meeting the needs of our different customer groups:

- major corporate customers (global corporations, multi-site organisations in the UK and overseas, and government in the UK and overseas);
- consumer customers in the UK;
- small and medium-sized businesses (SME) in the UK (typically companies with up to 500 employees, although some of our customers in this market are significantly larger); and
- other communications providers in the UK (our wholesale customers)

In our consumer markets in the UK and Ireland we provide services which meet the needs of our low income and customers with disabilities. These services are discussed in our [Inclusive Society](#) section.

Customer experience

Our goal is to become number one for customer service. This is vital in all our markets to differentiate BT from our competitors. We have changed our customer service measures to more directly reflect our customers' experience throughout their dealings with BT.

Our new measures focus on getting things 'right first time', because this will improve customer experience and reduce 'cycle time':

- 'Right first time' measures the extent to which we keep our promises to our customers and meet or exceed their expectations
- 'Cycle time' is the time from the customer making contact to acceptance by the customer that the service is delivered or resolved, the bill has been issued (if required) and payment has been received.

Performance

Maintaining high levels of customer service is essential to maintain long-term, mutually-rewarding relationships with our customers in such a competitive industry.

BT's network proved resilient during the unusual stormy summer weather in the UK in 2007. Apart from premises in areas that experienced the most serious flood damage where we were unable to gain access, any repairs were quickly undertaken and there was no impact on customer satisfaction.

In late summer 2007, some customers experienced delays in the installation of their new phone line, due to teething problems with a new IT system. The time taken to resolve these issues led to delays for some customers getting through to BT. We quickly picked up these problems and brought in additional staff to successfully restore service levels.

We introduced two new measures of customer service this year: right first time (keeping our promises) and cycle time (the speed at which we deliver service). These form part of our corporate scorecard for measuring overall business performance, which is overseen by the Board Remuneration Committee. Scorecard performance is cascaded down to all levels within the business.

We set ourselves the group-wide target in the 2008 financial year of improving 'right first time' by 11%. In fact, we achieved an increase of around 9% and, for the 2009 financial year our target is to achieve an even greater year-on-year improvement.

Our efforts have enabled us to better understand the service we deliver from a customer perspective. Our new measures have led to wide-ranging improvements, as BT people are now more aware of and accountable for their actions.

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BT [won 'Best Customer Care'](#) at the 2007 [World Communication Awards](#), which celebrate excellence in our industry.

Complaints

We are committed to providing the best service to our customers. 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 resolve the query there and then. If this is not possible, we will agree a course of action.

Many of our customers needed to contact us with enquiries and complaints in the 2008 financial year, and many had to wait too long for a resolution. This is unacceptable and we are taking steps to improve. We have developed intelligent systems that identify customers with problems so we can call them before they feel the need to complain. We are training all our customer service staff so they are better able to resolve customer queries first time every time.

We recognise that customers want to talk to as few people as possible and not repeat their problem. If we cannot resolve an issue straight away, a member of staff will own that issue until it is resolved, keeping the customer informed of progress.

If a customer is still unhappy 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 back of BT Phone Books and on our website at [Complaints about our Service](#). Ofcom, the regulator for the UK communications industry, publishes advice about how to make a complaint to a telecoms company.

We have a number of [Codes of Practice](#) covering various elements of our business.

How to contact BT:

- [UK Customers](#)
- [BT Global Services Customers](#)
- [BT Wholesale Customers](#)
- [Openreach customers](#)

Offshoring and customer service

We constantly seek to improve the way we handle the millions of customer calls we receive each month. We look for suppliers around the world with the capability to provide our customers with a good service, and ensure this is delivered consistently, irrespective of location, by having the same processes, systems, monitoring and performance measures. Our research shows that in certain areas, such as consumer broadband technical support, the helpdesk being offshore is steadily falling as a reason for dissatisfaction, and satisfaction is increasing thanks to the quality of service provided.

Challenges naturally arise when people from different cultures and backgrounds interact. We help our employees who are based overseas to better understand the culture and expectations in the UK, beyond being able to communicate effectively in English. For example, very few of our people in India pay bills by direct debit – culturally it's not the norm - so learning about the customer benefits of direct debit in the UK helps advisors in our Indian call centres to help our customers. We are also providing examples of our products and services for advisors to see and use, so they better understand their relevance.

See [Attracting and assigning our people](#) for more on our global sourcing strategy.

Wireless communications and health

Some people are concerned that radio frequency emissions from mobile phones, the base stations that connect them and wireless networks may have an impact on health.

BT offers our customers mobile and wireless services. These include:

- Cordless home phones
- Our mobile phone for consumers and our mobile phone, voice and data products for the business market.
- An extensive Public Wireless Local Area Network ([LAN](#)) and Private Wireless Local Area Networks (WLANs) in our buildings. We install Private WLANs for business customers and sell the components such as the BT Home Hub for customers to install their own WLAN s at home or in their offices.

All wireless networks and the base stations hosted on our infrastructure operate well within the guidelines for public exposure to radio frequency emissions set by the International Commission for Non-Ionising Radiation Protection (ICNIRP). In fact, the results of [Ofcom audits](#) show that exposure levels are many hundreds or thousands of times lower than the ICNIRP guidelines.

There is no scientific evidence that mobile and wireless technologies are harmful to health, although research continues into the potential effects of longer-term use, for example the 2007 UK report from the UK Mobile Telecommunications and Health Research ([MTHR](#)) programme. See the [World Health Organisation factsheet on mobile telephones and their base stations](#) for more information.

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Mobile base stations and health

Some BT exchanges, buildings and telegraph poles are used to house mobile phone base stations on behalf of mobile network operators. The locations of BT infrastructure that hosts base stations are published by [Ofcom](#).

We require all mobile equipment installed on BT sites to meet the guidelines set by the International Commission on Non-Ionising Radiation Protection ([ICNIRP](#)).

We are also a signatory to the mobile industry code of practice, known as the Ten Commitments, and comply with its principles. There are further details on the [Mobile Operators Association](#) website.

The World Health Organisation (WHO) advises that "Considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects ". For more information on WHO guidance and fact sheets, see [WHO](#).

Handsets and health

There is a standard method for measuring the level of radiofrequency emissions your body absorbs from each model of mobile phone. The maximum value is defined in the International Commission on Non-Ionising Radiation Protection ([ICNIRP](#)) exposure guidelines. BT offers a range of mobile and cordless phones from several manufacturers, which all comply with this standard.

We monitor scientific research on mobile phone health issues and follow the advice of the [World Health Organisation](#) (WHO) and other leading health organisations. The WHO acknowledges that there are gaps in knowledge that require further research to better assess health risks

In September 2007, the Mobile Telecommunications and Health Research Programme (MTHR), published its findings. This research is part of a larger programme overseen by an independent committee set up by the UK Government.

The report concludes that *"none of the research supported by the programme and published so far demonstrates that biological or adverse health effects are produced by radiofrequency exposure from mobile phones"* but recommends further research into the longer term exposure and the exposure on children. The research also found that radiofrequency emissions from base stations are well below international guidelines. Visit the [MTHR website](#) for the full report and more information on the next phase of research.

Wireless LAN and health

BT owns and operates one of the largest Public Wireless Local Area (WLAN) Networks in the UK – BT Openzone.

Public WLANs establish connections between a fixed access point and a computer with a wireless card. The signals transmitted via radio waves are very low power, and public exposure to these radio waves is many times below the internationally accepted limits.

The World Health Organisation issued a [factsheet](#) in May 2006 on mobile phone base stations and wireless technologies. This concludes that: "Considering the very low exposure levels and research results collected to date, there is no convincing scientific evidence that the weak RF signals from base stations and wireless networks cause adverse health effects."

BT is committed to ensuring that the technology it supplies is safe. We take these issues very seriously and ensure our in-house medical and technical experts are familiar with the latest research available on these topics. We understand the public concern about wireless technologies and are taking steps to address this.

Products and Services

Our customers are increasingly seeking ways to improve their sustainability & CSR performance whether at work or at home.

At work (Worldwide)

BT's Global Services group, serving large government and multi-site corporate customers, launched their 'Sustainability Practice' to help meet the growing sustainability needs of BT clients. The Sustainability Practice's first offering, the [Carbon Impact Assessment](#), helps organisations to identify their CO₂ emission "hotspots" by taking a holistic view, looking not only at IT equipment but also at staff travel patterns and buildings/shared services. Our first customers include local governments, large consumer goods manufacturers, and retail firms. The Carbon Impact Assessment is available in the UK and US, and will be launched elsewhere in Europe in 2008.

In autumn 2007, we launched our first sustainability campaign, '[Bigger Thinking](#)' targeting large corporate and government customers. The campaign focused on a number of our propositions to global customers including Operational Efficiency, Datacentres, Flexible Working and Field Force Automation as well as launching our carbon

impact assessment service. During the campaign we announced a three year sponsorship deal with Dame Ellen MacArthur, '[BT Team Ellen](#)', becoming our global Corporate Social Responsibility ambassador.

Specific customer activity focused on sustainability included regional events, thought leadership dinners and media roundtables. We also published a number of thought leadership papers during the campaign on topics such as planning for a sustainable future and the link between CSR and the strategic direction of a business. Our bigger thinking website contains a variety of information for our customers on sustainability including company case studies.

At home (UK)

In January 2008 we launched a new range of more energy efficient phones. More than 90% of our home phone range will be more energy efficient by July 2008. There will be no additional cost to the end consumer.

On average, power consumption has been reduced by approximately 50%. This has been achieved by using very efficient power supplies which meet the "EU Code of Conduct on Energy Efficiency of External Power Supplies".

Teams from across BT were involved including devices, product management, procurement, corporate responsibility and marketing.

We discuss our approach to sustainability and products and services on our sustainable economic growth [pages](#) and our own homeworking experience and use of conferencing services [here](#).

Protection

Our products and services enable customers to communicate quickly and easily at home and at work, to access a wealth of information on the internet and to keep in touch.

However, new technology can also create new risks. For example, some websites and television programmes aren't appropriate for children. Some of the new services that technology makes possible collect and store information about individuals, which some people see as an invasion of privacy.

This section explains the tools and policies we have in place to help our customers protect themselves. It covers:

- Privacy and data protection
- Child protection
- Telephone scams and nuisance calls.
- Our privacy services

We keep our standards under review and update them as we introduce new services, such as BT Vision, our broadband television service.

BT complies with ISO27001 – the internationally recognised standard for information security management – and has over 20 certificates covering our key sites and services.

Our mandatory security policies are designed to align with and fulfil all the requirements of ISO27002 – the International Code of Practice for Information Security Management.

Child protection

We provide technology and information to help our customers use the internet safely. BT Broadband and Internet services all come with [security features](#) including parental controls.

[BT Vision](#) is our broadband television service which enables our customers to watch programmes from a wide range of TV channels, download movies and record their favourite programmes.

As well as mainstream entertainment channels, BT Vision can offer customers access to gambling and adult content. These services are profitable, legal and many of our customers want them.

BT Vision has a parental locking system that allows parents to control what their children can watch. Parents can decide which channels are unsuitable for their children, and make them accessible only with a PIN.

BT CleanFeed software

Our CleanFeed software filtering system has been blocking access to child abuse websites blacklisted by the [Internet Watch Foundation](#) since 2004.

We are committed to sharing this technology and our experience freely with other ISPs in the UK and around the globe. Cleanfeed is now being used in many other countries including Canada, the USA, Norway, Sweden and Denmark, as more ISPs recognise the importance of clamping down on illegal child abuse websites.

BT acts on complaints about content hosted on our servers. We sit on the funding council of the UK [Internet Watch Foundation](#), which notifies us of illegal content stored on our servers and web space.

Raising awareness

BT launched the Internet Green X Code in 2004 to help children stay safe on the internet. The code encourages children to 'Stop, Think and Stay Safe' when they are online through their computer or mobile phone. It contains advice for parents and teachers, such as keeping computers in a communal room and making internet surfing a joint experience for parents and kids.

The Internet Green X Code is the first guide to be endorsed by the Home Office, the Children's Charities Coalition on Internet Safety (CHIS), the Internet Watch Foundation and the Department for Education and Skills' Parents Online. The code can be downloaded [here](#) or you can e-mail greenxcode@bt.com to obtain a copy.

Privacy and data protection

Technological advances mean that people's personal data is collected, processed, stored and transferred more frequently than ever before. Innovative new services are increasingly tailored to the individual. These changes create significant privacy and data protection challenges. People have a fundamental right to privacy and to their personal information being handled securely and responsibly.

We have a responsibility to make our services as secure as possible, but technology alone cannot make networks and the internet totally secure. Legislators, customers and network, content and service providers like BT all need to work together.

In many countries where we operate, we are required to register with or notify the relevant Data Protection Authority that we process personal data, what we collect and why, where we transfer data to, and in some countries, list all the systems that we run that process personal data.

Our approach

We always aim to comply with data protection laws and take all reasonable care to prevent any unauthorised access to personal data. Our intent is that personal information is only collected with consent and that we collect no more than we need for the stated purpose. Everyone has the right to access information about them, to correct inaccurate information and to expect that the appropriate measures are in place to protect their data. Our [privacy policy](#) explains how we collect customer data, what we use it for and how we protect their privacy.

See section on [employee privacy](#) for our approach.

Cooperation with law enforcement agencies

We may provide information, in response to properly made requests, for the purposes of preventing and detecting crime, and apprehending or prosecuting offenders. We may also provide information for the purpose of safeguarding national security. In either case we comply with the Data Protection Act. We also provide information when required to do so by law, for example under a court order, or in response to properly made demands, under powers contained in legislation.

Nuisance calls

Nuisance Call Bureau

In the UK, we voluntarily operate a (NCB) to support customers receiving malicious or nuisance calls. Specially trained advisors answer initial enquiries and offer simple advice. The NCB is open 24 hours a day, 365 days a year and can be contacted on 0800 661 441

We pass on complex cases which may require police investigation or call tracing to NCB specialists who are trained in police liaison and may appear in court as prosecution witnesses if necessary.

Privacy services

In the UK, our [BT Privacy](#) service brings together a range of free and paid for privacy protection services. These include:

- Blocking unwanted sales calls through the [UK Telephone preference service](#) or by registering online in Eire
- Caller Display services which display the number of the person calling
- Advanced calling features including 'choose to refuse', which blocks calls from certain numbers

The security features we offer include:

- Security features in all BT Broadband packages, including BT Yahoo! Mail Protection with Anti-Phishing to protect against online fraud. Phishing is when criminals fraudulently acquire personal information by posing as a legitimate company on a website or in an email
- BT [Identity Protection](#), an insurance plan that helps protect customers from identity theft and resolve the consequences should they become a victim
- [Options](#) for our business customers, including PC Security Check and Internet Security Pack.

Consumer protection from internet dialler scams

Customers that still use a dial up internet connection are vulnerable to rogue internet diallers that cause higher than expected telephone bills. A dialler is a piece of software installed secretly via the internet or directly onto the computer that calls international or premium rate services using the modem. In many cases, the installation is perfectly legitimate but customers are unaware of the cost implications.

BT has been working closely with the industry and ICSTIS (the premium rate services regulator) to resolve this. [BT Privacy Online](#) ([BT Modem Protect](#) in Eire) provides protection against rogue diallers. It provides:

- Protection software to help keep the modem safe from rogue diallers
- Text messages to alert customers to any unusual activity in their account

BT Webwise

In February, we announced that BT, along with other Internet Service Providers, had entered into agreements with Phorm to enable us to offer our consumer broadband customers a new free Internet feature, Webwise. Webwise will make web browsing more relevant to users by linking the advertising they see on participating websites to their interests. It will also warn users if they try to visit a known phishing website, automatically increasing protection.

Customer privacy is extremely important to us. The system is designed so that users remain anonymous and does not store any personal information that could be used to identify an individual. Webwise uses cookies that contain a randomly-generated number to identify each computer and match browsing activity to relevant adverts. Customers will be offered a clear choice as to whether they use the service. We plan to begin trials of Webwise service shortly.

Privacy is one of our seven key CSR risks. We address trade-offs between technological advances and the risks to personal privacy rights in our Hot Topic - [Privacy in the Digital Networked Economy](#).

Marketing practices

We aim to communicate with our customers honestly and sell our products fairly.

This section explains our approach to advertising and pricing our products and services.

Pricing

We offer tailored services to our large customers worldwide to ensure we meet their needs in a competitive marketplace. The price of these services therefore varies.

In the UK

We aim to make our prices clear so customers know what they will pay to use our services. Research shows that many customers prefer to know what their bill will be in advance and this is reflected in the development of our inclusive plans. We try to ensure that customers don't end up paying more or buying services they don't need.

For example, on 1 February 2008 we extended free [weekend calls](#) to all Option 1 customers in the UK. For the very first time, none of these customers will have to pay for weekend calls.

Simplifying prices for some services is more difficult. For example, calls to other networks such as international calls or calls to mobiles vary because each operator charges BT a different amount for different types of call.

Our [broadband](#) comparison site enables consumers to compare BT's prices with those of our competitors.

Our small and medium business customers can control their costs by capping the price of certain calls with the BT Business Plan.

Direct Debit

BT customers who choose not to pay their bill by Direct Debit pay an additional £1.50 per month. These charges were introduced last year for a number of reasons. Non-Direct Debit payments cost BT substantially more to process on average and there is a much higher risk that customers will either pay late or forget to pay a bill if they do not have a Direct Debit. BT's payment processing fee for non-Direct Debit customers is not applied to customers on special packages for those on low incomes.

We believe our approach to this issue supports our position as the operator which offers customers the widest choice of payment options. Our leading competitors either do not accept customers paying by non-Direct Debit or charge them a much heavier premium (up to £5 a month).

Contacting BT

We are the first major provider in the UK to make all customer helplines completely free, regardless of the landline from which they are being called.

From 1 April 2008, all our 0845 or 0870 helplines will become free 0800 or 0808 numbers.

Advertising

We are one of the UK's largest advertisers. We have a public duty to uphold the highest standards of advertising, and a great deal to gain from adopting such standards. By promoting such a culture, we can avoid adverse publicity and risk of prosecution, as well as attracting more customers.

Our values in this area are set out in the [BT Statement of Business Practice](#) and the [BT Code of Practice for sales and marketing activity](#).

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

Our sales and marketing code of practice describes the standards of behaviour we will adhere to when marketing and selling our services to residential and small business customers. The code also describes some of our internal procedures for recruiting and training of BT salespeople, including agents who act on our behalf.

In the 2008 financial year, there were 31 complaints to the Advertising Standards Authority about BT and one of these was upheld. BT made 11 complaints to the ASA, of which one was upheld.

Online services

We want to make it easy for our customers to contact us and manage their BT accounts in ways that suit them. We increasingly offer online services (as well as phone and mail) for maximum freedom and convenience.

Our UK home and business customers can use the internet to:

- View and pay bills
- Organise calling features, such as voicemail and family and friends numbers
- Report and track faults
- Top-up and manage BT Mobile
- Access broadband
- Place and progress orders
- Order new services.

Anyone in the UK with access to the internet can:

- Access the BT Phone Book
- Buy from the BT Shop and DABS.com.

We have an online customer portal for our larger customers around the world to provide services 24 hours a day, 365 days a year. It provides a range of real-time information to improve communications and increase customers' control over network support operations.

Customers - Key Performance Indicators

Indicator	Description	Measure	Target
Customer Service (See Note 1)	A measure of satisfaction across BT's entire customer base	Increase in right first time performance of 9% for the 2008 financial year.	To improve customer service in line with the corporate scorecard and to achieve an even greater year on year improvement in Right First Time (RFT) (See note 2)

Note 1: Revenue weighted.

Note 2: Customer service is defined as - 'Right First Time' (keeping our promises) and 'Cycle Time' (the speed at which we deliver service). In 08/09 The Group target will be focused on Right First Time.

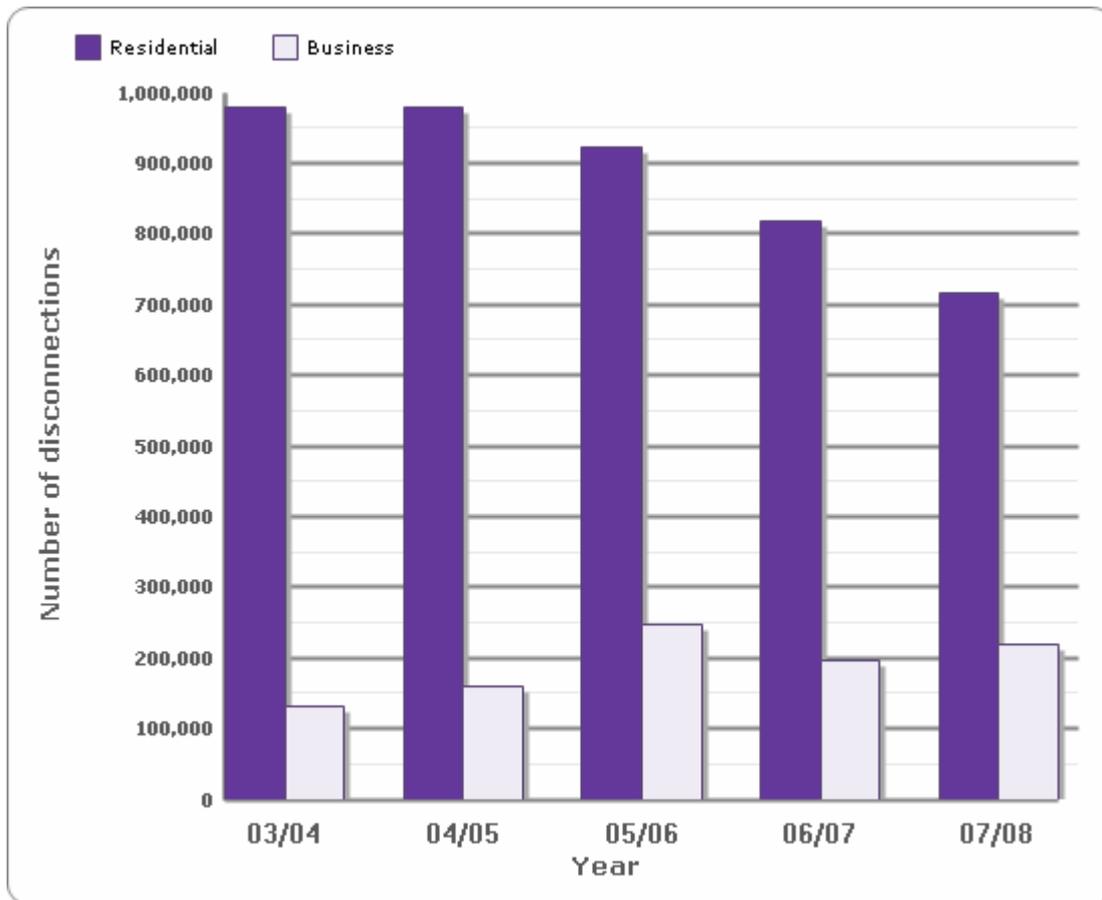
Customers Targets

Start Date	End Date	Description	Update	Target Status
April 2008	March 2009	BT will improve customer service in line with the corporate scorecard and to achieve an even greater year on year improvement in right first time (RFT) performance		New
April 2007	March 2008	BT will improve customer service in line with the corporate scorecard target as overseen by the Board remuneration committee.	This year we achieved an increase in our 'right first time' performance of 9% against a target of 11%. Looking forward to 08/09, our target is to achieve an even greater year on year improvement.	Failed

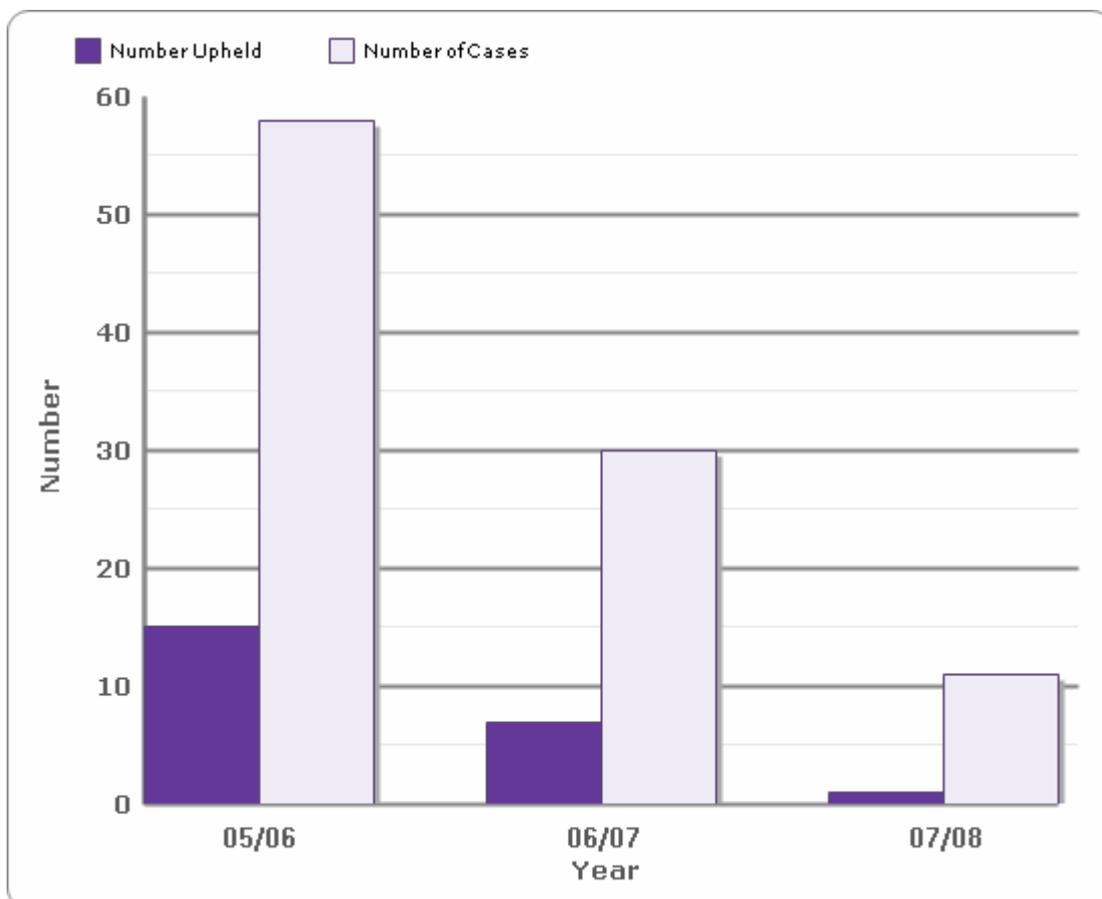
Products and services Targets

Start Date	End Date	Description	Update	Target Status
April 2008	March 2009	30% of BT 'product or service replacement contracts' awarded will be able to demonstrate an improvement in energy efficiency and/or reduced environmental impact (dependant on product or service type)		New

Disconnections (UK)



Formal Complaints to ASA by BT



Formal Complaints to ASA against BT

