



Commission for
Communications Regulation

Information Notice

Breach by TalkTalk of the Third Party Verification Code of Practice

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1. Details of breach finding

Following a number of complaints from consumers regarding alleged misleading sales by TalkTalk the Commission for Communications Regulation ('ComReg') conducted an investigation. As part of this investigation TalkTalk provided ComReg with recordings of a number of Third Party Verification (TPV) calls in connection with the complaints received.

In two of these recordings it appeared to ComReg that the customers did not fully understand the TPV process and the TPV agents both actively encouraged the customers during the verification process and provided marketing information to the customers. In such a situation the TPV agent should have rejected the order and passed the customer back to the sales agent in accordance with Section 15 of the TPV Code of Practice (see below).

ComReg considered the issues and all available evidence and found that TalkTalk had not complied with the requirements of Section 15 of the TPV Code of Practice. ComReg notified TalkTalk of this finding on 15th May 2007.

ComReg considers it appropriate to state a view on compliance with the TPV Code of Practice by virtue of its objectives and functions as set out in the Communications Regulation Act 2002.

In publishing this Information Notice, ComReg has taken account of its statutory objectives which are set out in Section 12 of the Communications Regulation Act 2002.

2. Third Party Verification Code of Practice

In Carrier Pre-Selection (CPS) and Single Billing Wholesale Line Rental (SB-WLR) operators may use Third Party Verification (TPV) as an independent means of verifying a customer's consent and obtaining the customer information required to submit a change to CPS/SB-WLR service. The customer's consent at this TPV stage is agreement to enter into a contract for the service.

TPV is conducted via the telephone, with a recording of the call serving as a record of the customer's consent to change service. The TPV is an alternative to the requirement for a physical signature on a CPS/SB-WLR Customer Authorisation Form.

The TPV Code of Practice has been agreed by all parties and was signed off by the CPS/SB-WLR Industry committee and agreed by ComReg. Every Operator or Reseller that wishes to use TPV becomes a signatory to the Code of Practice and agrees to be bound by its terms.

Section 15¹ of the TPV Code of Practice V3.4 provides that orders should be rejected in the following situations:

‘15. Grounds for order rejection

The following are considered grounds for rejection of an order.

The Customer:

- (a) *Disconnects the call or fails to complete the script.*
- (b) *Answers negatively.*
- (c) *Fails to give the required information or gives an obviously false response.*
- (d) *Seems confused or doesn't clearly understand the process.*
- (e) *Asks questions about the product during the process.*
- (f) *Cannot be clearly understood.*

The Operator/Resellers sales agent:

- (a) *Stays on the call after giving the account and telephone number(s).*
- (b) *Is involved in anyway in the verification process.*

The TPV agent:

- (a) *Actively encourages or pressurises the customer during the verification process.*
- (b) *Tells or suggests to the customer what to answer.*
- (c) *Gives marketing information of any kind to the customer e.g. pricing, services, offers etc. They are allowed to pass a contact number to enable the customer to contact a sales agent of the Operator.*
- (d) *Offers any opinions on any Operator / Reseller.*
- (e) *Offers inducements to customer.’*

3. Next Steps

ComReg notes that TalkTalk acknowledged that the TPV agents involved did not act appropriately. In addition TalkTalk has informed ComReg that retraining was given to the agents concerned regarding compliance with the TPV Code of Practice.

ComReg intends to closely monitor any alleged incidence of this type of breach and will take further action as appropriate.

¹ Previously section 13 at the time of the relevant breaches