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What lessons can we learn from Vodafone and EE's record fines for failing customers?

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Managed Mobile for Business

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Introduction

EE and Vodafone have recently made the headlines for all the wrong reasons.

Ofcom, the industry regulator, having completed its own long-term investigation, uncovered mis-selling, inaccurate billing and poor complaints handling procedures at Vodafone. The result? They issued Vodafone with a record fine of £4.6m for serious breaches of consumer protection rules (including a discount of 7.5% for paying within 20 days).

In a nutshell, Vodafone's billing failures meant that customers were losing money - and when they complained, Vodafone failed to address the issue. It's a resounding victory for the 10,452 consumers who collectively lost £150,000 over a 17-month period.

Ofcom followed this up in January 2017 with a £2.8m fine for EE, for failing to address ongoing tariff and billing errors that were to customers being overcharged for certain calls.

If, as a business customer, this all sounds like your own experiences with telecoms providers, then you're not alone. It's commonplace for businesses to be routinely overcharged and ignored by telecoms companies. The key difference here is that Ofcom doesn't really have the motivation to do anything about it. Despite Ofcom's slogan, "making communications work for everyone", if you're a business with more than ten employees, Ofcom considers that you're capable of negotiating your own contract terms and resolving any disputes of this nature. David and Goliath spring to mind.

All this means you're on your own, and if you don't have suitable processes to validate your telecoms billing, manage your connection & device inventory, and ensure that the terms of your contract are being correctly implemented then it's likely that you're going to be losing money also. Having successfully corrected millions of pounds' worth of billing errors and overcharges for our clients, our team and customers know that these billing failures are everyday occurrences.

In fact, if you have a bespoke telecoms contract and pricing, as most large businesses do, then the manual set up processes involved in establishing your tariff and account mean that you're more likely to be experiencing billing errors than the typical SME business or consumer. And the losses involved also tend to be much more significant.

Ofcom's levying of these "record" fines also tells us a little about the regulator's attitude towards these issues. Record fines, yes. But at £4.6m and £2.8m respectively, these represent a drop in the ocean for Vodafone and EE, and arguably a questionable disincentive from repeating this behaviour across their customer base - especially in the large business sector, where they are unlikely to face any regulatory scrutiny.

**Mobile networks and technologies can transform your business.
Utelize can help.**

Want to address your billing errors and concerns? Act now!

The statute of limitations typically allows six years in which to bring a claim under a standard contract. However, telecoms companies have gone to great lengths in recent years to defend themselves against business customers seeking compensation for historical billing issues.

In the past, telecoms companies would provide copy billing on request; now, however, those days are gone. Today, if you want to challenge billing overcharges, you'll need to furnish the telecoms provider with all the supporting evidence – historical copy billing, itemised usage records and countersigned contracts – and for many organisations that's something that they just don't have access to or haven't retained. Even online billing portals are being restricted to hold at most 12 months' worth of data, and for larger accounts this can be as little as three months. And without the detailed data to support your claim, the carriers will do everything in their power to limit or decline a settlement.

BT even has a dedicated unit known as the BT Rebates Claims Unit (RCU) whose sole purpose is to defend and process claims.

So, whether you currently review or intend to review your billing in detail, we'd strongly recommend that you consider archiving your invoices, contracts and importantly the itemised electronic billing files now, before they disappear, along with any claim, forever. This will not only provide the evidence you'll likely need when you do discover errors, but it's also an essential requirement to support future effective telecoms management, procurement and cost control.

Billing errors are just the tip of the iceberg…

Whilst billing errors account for a level of overspending in businesses, there are many more challenges that organisations face when managing telecoms usage and costs. There are also plenty of ways that suppliers secretly hide excess costs and profit from their customers. In most organisations, it's not uncommon for Utelize to release 20% or more in wastage and overspending on telecoms budgets – that's money that could be reinvested in IT transformation, resources and data security.

If you suspect that you're currently overspending, or being inaccurately charged, but can't pinpoint where – then we might be able to help.

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Utelize – Managed Mobile for Business

At Utelize we specialise in providing managed mobile services that enable our customers to gain control of their mobile airtime, devices and security, helping them to:

- Streamline the administration of mobile airtime and devices
- Reduce mobile network and device charges
- Free up IT resources for more strategic projects
- Cost effectively finance mobile devices
- Secure mobile devices and data
- Manage in-life device repairs as well as end of life trade-in and device recycling
- Control mobile data usage and roaming charges
- Evaluate which mobile telecoms technologies and services can best support their business needs

To arrange a no obligation meeting and health check, get in touch …

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