



## **Feature comment**

### **ALTERNATIVE DISPUTE RESOLUTION – REGULATORY BURDEN OR OPPORTUNITY?**

**The office of the telecommunications ombudsman (Otelo) provides an alternative dispute resolution scheme for hundreds of telecom companies and their customers.**

**Duncan Laker, MD of Welcome Telecom, is an industry representative on the Otelo Member Board and explains how small to medium businesses can use such schemes to their advantage.**

“As we all know telecommunication providers are required, by law and by Ofcom regulation, to provide consumers and small businesses with a path to resolve disputes and complaints without recourse to the courts. That is the purpose of Alternative Dispute Resolution (ADR) schemes which, whilst funded by the member companies, are independent from the regulator and the industry.

“There are two options available: The office of the telecommunications ombudsman (Otelo) and the Communications and Internet Services Adjudication Scheme (CISAS). For smaller companies the subscriptions are modest, and individual complaints attract a “per case” fee.

“As a member of Otelo I can only really expand on their activities.

“Members fall into two classes within Otelo; category A comprises of large businesses with a turnover of over £20M and category B is made up of smaller companies.

“The membership of over 300 companies comprises around 7% category A and 93% category B members and, partly by dint of the number of customers, the category A members generate around 90% of the cases taken on by Otelo. The underlying cost

of the service is funded by the membership with category A contributing around 90% of that cost. 90% of category B members generate no cases whatsoever and consequently the cost of compliance is very modest.

“On that basis it is easy to understand why the majority of category B members consider ADR compliance as a regulatory and legal necessity - much like a kind of “road tax”.

“However, I believe that there are wider benefits and opportunities for small businesses arising from their membership of one of the ADR schemes. In Otelo’s case, the member board has a monthly meeting, but the majority are held via conference call, with only two or three face to face meetings a year, so the time commitment is not great.

“Promoting your membership allows you to demonstrate your commitment to customer services and fair trading, but active involvement offers so much more.

“Sitting on the member board gives you a strong voice on behalf of small businesses. Don’t forget that ADR schemes can only maintain their credibility if they have a good spread of businesses from the industry. So although the financial contribution of category B members is small the importance to the ADR scheme of that membership is great.

“You will raise the profile of your business within the industry by meeting representatives of category A members, the big boys.

“The insight into how the industry works can give you an edge when it comes to keeping your customers informed of latest developments.

“So if the opportunity arises to get involved with your ADR scheme then consider the benefits before deciding against it, you might even get your company in a leading industry publication.”

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