



Customers

BT Social and
Environmental report



THE QUEEN'S AWARDS
FOR ENTERPRISE:
SUSTAINABLE DEVELOPMENT
2003

Customers

We intend to be the best provider of communications services and solutions:

- For everybody in the UK
- For corporate customers in Europe and
- With global reach through partnerships.

In the UK, we serve 20 million business and residential customers with 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.

Our strategic priority is to outperform competitors consistently and reduce the number of dissatisfied customers by 25% a year over three years.

Here we explain our approach to:

- Customer satisfaction
- Customer communications
- Customers who are older or disabled
- Services for customers
- Voluntary and mandatory services
- Mobile communications and health.

Customer satisfaction

Improving customer satisfaction is the cornerstone of BT's strategy.

We have established the strategic target to outperform our competitors consistently and reduce customer dissatisfaction by 25% a year over the three years to the 2005 financial year.

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

We are committed to listening 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

In order to improve levels of customer satisfaction, a thorough understanding of what drives both customer satisfaction and dissatisfaction is required.

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 quality of service. Customers who use competitors are asked about their satisfaction with these operators.

In addition to measuring satisfaction, these interviews examine many of its key drivers – image and reputation, price and value, contact and experience and products and services.

Our customers' views about the service we provide and our range of products is important to us, allowing us to continue to make improvements. A customer's view of their direct experience of BT is canvassed by an independent agency with approximately 9,700 business and residential customers interviewed each month. The interview includes such things as the provision or restoration of a service or how a complaint made to BT has been handled.

BT publishes these customer-satisfaction and quality-of-service measures every six months.

The perceptions and views of our business customers are surveyed by an 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 also survey 100 international customers monthly. In the 2004 financial year, we launched a new BT Global Services customer satisfaction survey to increase the number of international customers we reach.

Customer dissatisfaction

Reducing customer dissatisfaction by 25% a year over the three years to the 2005 financial year is a key target in our drive to deliver the highest levels of customer satisfaction.

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

In the 2004 financial year we achieved a 22% reduction in customer dissatisfaction. This follows a 37% reduction in the 2003 financial year

The principal lines of business all reduced customer dissatisfaction levels during the year. We are working to remove barriers to providing customers with an excellent service and to involve all our customer-facing people in improving our service.

Although we are well ahead of our competitors in most areas of business customer satisfaction, we will strive to make further significant improvements. A programme has been put in place that focuses on key areas of customer dissatisfaction.

Customer satisfaction

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

BT Retail's performance over the last three months of the past three financial years indicates that we are making progress.

Satisfaction scores for residential customers

	BT	Competition
1999/2000	86%	
2000/2001	80%	
2001/2002	77%	76%*
2002/2003	76%	75%*
2003/2004	79%	71%

Source: (Data Source NOP World)

Sample: Approximately 42,000

Satisfaction scores for business customers

	BT	Competition
1999/2000	82%	
2000/2001	79%	
2001/2002	64%	62%*
2002/2003	80%	73%*
2003/2004	83%	76%

Source: NOP (from September 2000), prior to that Market Insights

Sample: Approximately 21,000

*Accumulated average for the last three months of the year



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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 last three months of the 2004 financial year among BT Retail customers are:

	Consumer satisfaction with provision	Business satisfaction with provision	Consumer satisfaction with repair	Business satisfaction with repair
2000/2001	88%	83%	75%	82%
2001/2002	92%	84%	79%	84%
2002/2003	88%	85%	81%	85%
2003/2004	93%	86%	78%	84%

Comparable Performance Indicators

We are a founder member of the UK telecommunications industry's initiative on publishing Comparable Performance Indicators (CPI).

CPI is a voluntary, cross-industry initiative, supported by consumer representatives, the Office of Communications (Ofcom) and telecommunications companies. CPI helps customers compare the performances of telecoms companies in the UK and make an informed choice on the best deals available.

Since CPI was created seven years ago, participating operators have been publishing information on their performance in key activities: provision, repair, network faults, complaints and billing accuracy.

The data is collected by the telecoms companies using agreed procedures. It is checked initially by independent auditors and then by an independent body, the British Approvals Board for Telecommunications, to ensure a sufficient level of comparability in the application of the audit process.

The information published highlights the operators' internally measured performance and customer satisfaction with the specific service or activity.

BT's customer satisfaction in the area of service provision achieved over 90%, the strongest

performance of all participating operators. Our business customers are among the most satisfied with our performance in providing service, complaint handling and billing.

Initiatives to improve customer satisfaction

Listening to our customers has helped us understand what they expect from us:

- We must be easy to contact
- We must keep them informed (we shouldn't need to be chased)
- We must take ownership of their issues and champion their cause
- We must 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 not only on price but on the level of service.

We don't always get it right, but we're determined to reduce to a minimum the number of times we get it wrong.

In the 2003 financial year, we introduced a number of new initiatives for customers who reported faults:

- Ensure a high level of service, whatever the volume of reported faults

- Keep in touch with customers during repair work via SMS texting
- Offer call diversion to a mobile – the customer's own or one lent by BT.

These initiatives have already become common practice.

In the 2005 financial year, there will be a radical change in the way we deliver service to our customers with the introduction of a programme called *Promise Made, Promise Kept*. Our customers have told us that this is what they want.

The programme involves units from across the company working together to ensure we keep our promises.

Quality of Service report

The quality of the service we provide 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, so that we can continue to make improvements.

The Quality of Service reports are available in our online report.

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 and usage of communications technology. 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 also 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 Milton Keynes consumer liaison panel is linked to the strategic development of our call centres, as part of a programme known as Next Generation Contact Centres. Concerns raised by panel members have caused us to review our plans and make them more responsive to customer needs.
- Feedback from panels in Manchester and Glasgow has contributed to continuous improvement of the BT bill as a useful and meaningful communications tool, which matches customer needs.
- Consumer liaison panels have also helped us to understand consumers' perceptions of corporate and social responsibility, and to define the key performance indicators used on this site.

Complaints

We are committed to providing 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 and, if this is not possible, will agree a course of action. Billing queries are more complex and may take a little longer to resolve.



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If a customer is not happy with the response they receive 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 for customers who are older or disabled

Our aim is that all members of society should enjoy the same freedom and opportunities to communicate. The Employer's Forum on Disability estimates that one in four customers either has a disability or is close to someone who has. In its 20th year since privatisation, BT continues to provide a wide range of products and services for older and disabled people. These customers often require additional support or advice to benefit from today's 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. Textphone users dial a special number before the number of the person they would like to speak to and a RNID Typetalk operator joins the line to relay the conversation. The Typetalk operator reads the text to the hearing person, and types the hearing person's reply so the Textphone user can read the response on the Textphone display panel.

This system has simplified the making and receiving of calls between voice and Textphone users. BT TextDirect also automatically calculates a rebate on these text calls, so those customers pay no more than for voice calls, even though text calls take longer.

Typetalk is the UK's national text relay service, funded by BT since 1990 and run by the Royal National Institute for the Deaf (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

In the 2004 financial year, we set up the BT User Panel to consult with disabled people on key issues. The panel's members are BT people with an interest in disability, who provide us with early feedback on new products and services to ensure that accessibility is considered.

Payphones

All our existing payphones have inductive couplers that improve the clarity and audibility of incoming speech for people wearing compatible hearing aids. Our latest range of text payphones enables UK customers to send e-mails and SMS messages and to access BT TextDirect. There are 1,200 text payphones in UK airports, railway stations and motorway service stations.

Billing

BT has been providing bills in alternative formats since 1992. In the 2004 financial year, we improved our service for people who are visually impaired by ensuring that the required alternative format is provided at the same time as the standard bill.

The formats available are braille, large print, computer disk and our talking bill service. Many other BT publications and user guides are also available in alternative formats.

Our Protected Services Scheme enables vulnerable customers to nominate a third party to manage their bills on their behalf if, for example, they are hospitalised.

Directory enquiries

We 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, online directory enquiries service which has been designed to give all users easy access, including people with disabilities. It also enables people to set their own preferences, such as text and background colour, from the homepage.

Telephone products

BT has a variety of telephones with accessible features such as large buttons, voice amplification and headset sockets. We currently supply the only rental Textphone in the UK. We will soon be launching our latest Design for All phone, with new features such as voice-prompts and a keypad lock.

Product trial service

BT's Age & Disability Action Team works with healthcare and independent-living specialists in the UK to provide a unique product trial service. This enables older and disabled customers to find the right BT product for their needs.

Training

We provide disability awareness training to a number of our engineers who can offer advice on suitable services to customers with disabilities.

We also organise a disability awareness course, covering the legal, political and social aspects of disability.

Web accessibility

We are committed to making all BT services fully accessible, particularly our online services. Our Age & Disability Action website seeks to help old or disabled customers make the most of today's communication services. It is the first BT website to be awarded the Royal National Institute for the Blind (RNIB) See It Right logo. We are working to improve levels of web accessibility across all our websites.

For more information, see our Age & Disability Action website at http://www.bt.com/aged_disabled/index.jsp

Services for customers

We provide a number of services to enable customers on low incomes to benefit from communications technology. We have also introduced services to make payment easier and help prevent disconnection.

We have developed technology to help prevent nuisance calls and we run a Nuisance Calls Bureau that provides specialist help and support to customers.

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:

- Light User Scheme is designed to help those people in the UK who need to stay in touch but make few calls themselves. It is available to people whose quarterly call charges are below £15.95 (excluding VAT), who are not on any BT discount schemes, not using indirect access or don't have a telephone service provided by a mobile network operator. The scheme provides rebates of around 60% on line rental.
- In-Contact Plus Scheme enables customers to receive incoming calls and make outgoing calls to the emergency services, for a joining fee and quarterly line rental charge of less than £10. With a BT In-Contact card, customers can also make outgoing chargeable calls. Cards can be topped up at over 10,000 Paypoints in the UK, in convenience stores and petrol stations.
- Pay & Call is a pre-pay service allowing customers to make calls as long as their account is in credit. We recommend it to customers who find it difficult to pay their bill and where we consider there is an exceptionally high risk that payment may not be made. Using this service and topping up an account is straightforward. Pay & Call can also be used to pay off outstanding debts.

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 do 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



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(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
1999	781,948
2000	1,067,972
2001	964,810
2002	1,061,036
2003	1,051,545
2004	981,336

Total number of disconnections* (business customers)

Financial Year	Total number of disconnections
1999	124,226
2000	182,651
2001	91,262
2002	292,432
2003	301,926
2004	132,528

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

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**.

Payphones and inclusion

In line with our Universal Service Obligation (our regulatory duty to ensure that basic telephone services are available to all UK consumers at affordable prices), we ensure that payphone services are provided to meet community needs, including rural communities.

We currently have around 72,600 public payphones in operation, with a further 24,100 managed sites. Call minutes from public payphones have fallen considerably in recent – a trend mainly due to increased mobile use – making many payphones unprofitable.

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

During the 2004 financial year, we reduced the costs of our payphones operation through the removal of over 16,000 payphones. However, none of these removals resulted in the total removal of payphone service within communities.

E-payphones

We have installed more than 1,500 new e-payphones in the 2004 financial year. These kiosks enable customers to surf the internet, send emails and text messages and make payphone calls.

BT plans to increase the number of e-payphones to 20,000 by 2007, creating a nationwide network capable of accommodating around 60 million hits a week.

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.



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Mobile 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 online 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 T-Mobile network for consumer mobile services and on the O2 network for business
- 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.

Additionally, following the May 2000 Stewart

Report on the possible health effects posed by mobile phone technology, including base stations, the UK Department of Health produced two advice booklets which BT and all mobile operators make available at their retail shops:

- Department of Health Mobile Phones and Health booklet (available at www.doh.gov.uk/mobilephones/mobilephones.pdf)
- Department of Health Mobile Phone Base Stations and Health booklet

(available at www.doh.gov.uk/mobilephones/basestations.htm)

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 (www.mobilemastinfo.com/planning/best_practice.htm).

Although no longer a mobile operator in its own right, BT offers mobile operators a service called Microconnect. Microconnect 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 to city centers. The exposure levels from these small devices will be hundreds of times below the ICNIRP guidelines at street level. Before installing the new Microconnect antennae 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”. More information on WHO guidance and fact sheets is available on the WHO website.

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 antennae 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.

RA audits and industry consultation procedures

BT makes public the locations of existing antennae on the Radiocommunications Agency (RA) Sitefinder website (www.radio.gov.uk). Additionally, the RA has concluded 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 antennae 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 – and all mobile operators in the UK – apply 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 at http://www.mobilemastinfo.com/planning/best_practice.htm



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