

BT's Sustainability Report 2007

Customers



let's make a
better
world

Customers

We intend to be the best provider of communications services and solutions for everybody in the UK and corporate customers worldwide.

We have around 18 million customers and operate in 170 countries. These include: consumer and small and medium sized enterprise (SME) customers in the UK and Ireland; business and public sector customers worldwide; and UK communications providers through Openreach and BT Wholesale.

This section covers:

- Our products and services – from traditional telephony to new wave products
- Customer satisfaction
- Marketing practices – promoting and pricing our products fairly
- Protection – how we help customers use our products safely
- Inclusive services – serving customers with disabilities and those on low-incomes
- Wireless communications and health – including mobile services and wireless networks

Customer satisfaction

Increasing customer satisfaction is the cornerstone of our business strategy. The quality of the service we provide - and our customers' satisfaction with that service - is fundamental to our business.

Customers have said they want us to: be easy to contact; keep them informed; take ownership of their issues; and deliver on the commitments we make to them.

We measure our performance through a large customer-research programme. This includes ad hoc and continual tracking research, among different customer groups and across a wide range of products and services both in the UK and globally. This research provides an ongoing measurement of customer satisfaction, highlights areas of weakness and provides us with in-depth information we can use to improve customer satisfaction and loyalty to BT.

Twice a year we publish a Quality of Service report with details of our performance. You can review these reports online [here](#).

Customer satisfaction Targets

Start Date	End Date	Description	Update	Target Status
April 2007	March 2008	BT will improve customer service in line with the corporate scorecard target as overseen by the Board remuneration committee.		New
April 2006	March 2007	BT will increase the number of extremely and very satisfied customers by 5%.	We achieved an increase of around 3% in customer satisfaction in the 2007 financial year. The customer satisfaction target of 5% was therefore not met.	Failed

Performance

Improving customer satisfaction remains a significant challenge - one that we need to rise to if we are to maintain long-term, mutually-rewarding relationships with our customers. This is why our aim in the 2007 financial year was to increase the number of customers who are 'very' or 'extremely' satisfied with BT by 5%, at the same time as maintaining the improvements in customer dissatisfaction levels we had achieved in previous years.

In the 2007 financial year, the average score for customers who were 'very' or 'extremely' satisfied was around 3% higher than in the 2006 financial year; levels of dissatisfaction remained the same".

Feedback from residential customers this year shows that changes in our product portfolio and take-up of converged services can affect customer satisfaction. For example, a fault on your home telephone line is inconvenient. But it can cause more serious disruption if you are also using broadband to access the internet, work from home, watch television or use online banking and VOIP services.

We are improving our fault reporting systems so that customers only have to report a fault once. We have also recruited additional call centre staff to improve our repair and call-handling performances.

In the 2007/08 financial year we are introducing two new measures of customer service: Right First Time (keeping our promises) and Cycle Time (the speed at which we deliver service). This measure of customer service forms part of our corporate scorecard, which is overseen by the Board remuneration committee, and our objective for 2007/08 is to improve customer service in line with the corporate scorecard target

The weighting between customer service and the two other measures of free cash flow and earnings per share on our corporate scorecard has been changed this year to give greater weighting to the customer service measure.

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 solve the problem there and then. If this is not possible, we will agree a course of action. Billing queries are more complex and may take a little longer to resolve.

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.

Wireless communications and health

Some people are concerned that radio frequency emissions from mobile phone handsets and masts and wireless networks may have an impact on health.

This issue is relevant to BT because we offer our customers mobile and wireless services. These include:

- Our mobile phone for consumers and our mobile phone, voice and data products for the business market. These operate on the Vodafone network.
- We operate an extensive Public Wireless Local Area Network (LAN) network and Private Wireless Local Area Networks (WLANs) in our buildings. We install Private Wireless LAN networks for business customers and sell the components for BT customers to install their own Wireless LAN networks at home or in their offices.

In addition, BT infrastructure (including some BT exchanges, buildings and telegraph poles) is used to house mobile phone base stations and aerials.

Mobile base stations and health

Base stations receive and transmit calls from mobile phones.

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

In addition we are a signatory to the mobile industry code of practice, known as the Ten Commitments, and comply with its principles. Further details can be found on the [mobile operators'](#) website.

BT offers mobile operators a service called Microconnect. This is a network of small low-powered antennas mounted on street furniture - such as lighting columns and lamp-posts – that provides mobile phone coverage in city centres. The exposure levels from these small devices are hundreds of times below the ICNIRP guidelines at street level. Before installing the new Microconnect antennas 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". For more information on WHO guidance and fact sheets, see [WHO](#).

RA audits and industry consultation procedures

We publish the locations of base stations sited on BT infrastructure on the [Radiocommunications Agency \(RA\) Sitefinder website](#).

The RA completed 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 antenna deployment, as recommended by the industry code of practice. The type of consultation used is determined on a site-by-site basis, according to the standards set out in the Ten Commitments. These include a commitment to share masts wherever possible. More information can be found on the [mobile operators'](#) website.

Handsets and health

All mobile phones sold by BT comply 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](#).

We monitor scientific research on mobile phone health issues and follow the advice of the [World Health Organisation](#) (WHO) and other leading health organisations.

It is 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 SAR values 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.

The January 2005 updated [Stewart Report](#) on the possible health effects posed by mobile phone technology, including base stations concluded that "there is no hard evidence to suggest that mobile phone technologies put the health of the general population at risk."

Wireless LAN and health

BT owns and operates one of the largest Public Wireless LAN networks in the UK - BT Openzone.

Public WLANs operate by establishing connections between a fixed access point and a computer with a wireless card. The transmitted signals are very low power and the exposure levels of the public are all many times below the internationally accepted limits. The World Health Organisation issued a fact-sheet in May 2006 in respect of Mobile phone base stations and wireless technologies, it stated "From all evidence accumulated so far, no adverse short- or long-term health effects have been shown to occur from the RF signals produced by base stations. Since wireless networks produce generally lower RF signals than base stations, no adverse health effects are expected from exposure to them."

BT is concerned about, committed to and proactive in trying to ensure the technology it supplies is safe. We take these issues very seriously and ensure our in-house medical and technical experts have sight of the latest research available on these topics. BT understands the public concern and is taking steps to address this, for example by carrying out an extensive public consultation project for each of the areas participating in the Wireless Cities campaign, such as drop-in sessions with councillors for local residents.

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 aren't appropriate for children.

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

- Content standards, including adult content
- Privacy
- Online safety
- Fraud, scams and nuisance

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

Online safety

We provide technology and information to help customers use the internet safely.

BT CleanFeed software

Our CleanFeed software filtering system automatically blocks access to child abuse websites blacklisted by the Internet Watch Foundation. This includes sites considered 'illegal to view' under the 1978 Child Protection Act. Downloading illegal child sexual abuse material is a criminal offence in itself so our blocking technology is a direct crime prevention measure. In the UK there are on average 45,000 attempts to access barred URLs each day.

Cleanfeed blocks any blacklisted material. This could be a whole site, a page or even a picture. A customer who tries to access a blacklisted site will see the 'error 404' message. There will not be any indication that the material is blacklisted.

We are giving away the blueprint for CleanFeed, under non-disclosure agreements, to other internet service providers interested in adopting it.

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

Our Safe Surf website provides simple information to help parents keep their kids safe online. It includes tips for kids, advice for parents and links to more information. You can find out more [here](#).

We are working with the online news service, Guardian Unlimited, to raise awareness of online security. BT is sponsoring a microsite on Guardian Unlimited, which will include a comprehensive guide to online security and advice on how broadband users can protect themselves against online theft, fraud and viruses. There will be information for teachers and parents on how to protect children from dangers online.

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.

Content standards

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 may offer customers a portal to some gambling and adult content. These services are profitable, legal and meet the expectations of many of our customers. But they bring important new responsibilities – in particular we need to help parents protect their children from viewing adult content.

BT Vision has a parental locking system that allows parents to control what their children can watch. We provide details on how to set-up the parental locking system in the Troubleshooting Guide of the BT Vision Welcome Pack.

We have revised and updated our taste and decency guidelines to reflect these changes in our product range. The new guidelines were informed by research into public attitudes, a benchmark of telecommunications and media companies, and investor feedback.

We want to do more than the legal minimum and our guidelines exceed UK law in several areas. For example, any gambling activities accessible through BT Vision must be accredited by Gamcare, an independent charity. All relevant new products and services must be approved by the Group Director of Communications and compliance will be assessed by the Internal Audit department.

We contribute to the work of the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS). ICSTIS registers certain types of phone services in the UK, such as dating services, betting, fundraising and services of a sexual nature. This safeguards the right to freedom of expression while ensuring protection of users, legality and quality.

Privacy

Technological advances mean customers' personal data is captured, stored and transferred more frequently than ever before. BT holds customers' personal and financial data, our servers and networks are a conduit for information controlled by others, and we manage data for many of our large customers.

Technology creates new privacy risks. Identity theft (using someone else's personal details to open bank accounts or obtain state benefits) is one example.

We have a responsibility to make our services as secure as possible but it is impossible to make sure that internet and network connections are totally protected through technology alone. Ensuring privacy and security can only be done by network, content and service providers such as BT, legislators and customers working together.

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.

Our [privacy policy](#), available on our website, explains how we collect customer data, what we use it for and how we protect their privacy.

In the 2006 financial year we launched [BT Privacy](#) bringing together a range of free and paid for customer privacy protection services. These include:

- Blocking unwanted sales calls through the [UK Telephone preference service](#)

- BT's Caller Display services which display the number of the person calling.
- Advanced calling features including 'choose to refuse' that blocks calls from certain numbers.

All BT Broadband packages include security features, for example, BT Yahoo! Mail Protection with Anti-Phishing to protect against online fraud.

We offer a number of options for our business customers, including PC Security Check and Internet Security Pack.

BT Identity Protection is our insurance plan that helps protect customers from identity theft and resolve the consequences should they become a victim.

We have drafted guidelines to help employees assess privacy related risks when developing, marketing or selling new wave products and solutions. Examples include the technology and process of radio frequency identification tagging and the location registration of mobile communication devices. These guidelines have been published online in BT's internal online publications and cascaded to relevant people in the product management and development communities by email from Senior Management.

We have identified privacy as one of our seven key CSR risks. We address trade-offs between advancements in networked technologies and the risks to personal privacy rights in our Hot Topic - [Privacy in the Digital Networked Economy](#).

Cooperation with law enforcement agencies

We have robust data protection standards but need to keep these under continual review – as new challenges emerge.

For example, several major companies have recently been criticised (and in some cases are the subject of legal action) for disclosing customer information to law enforcement agencies. Often such cooperation – for example sharing of phone records – is a legal requirement and makes a vital contribution to criminal investigations. But there is a danger that this information may be misused and that companies could be implicated in human rights abuses.

We are exploring the implications of these issues for BT in the context of our global expansion. We need to get the balance right between potentially competing legal requirements such as data protection laws and requests from law enforcement agencies.

In the 2007 financial year, we commissioned Rand Europe to conduct an independent analysis of responsibility in the global information society, including privacy. It includes recommendations for BT and is available on our website [here](#).

Fraud, scams and nuisance calls

Nuisance Calls Bureau

BT voluntarily operates a Nuisance Calls Bureau (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.

Protection from internet dialler scams

Rogue internet diallers are an industry wide problem. Customers have experienced higher than expected telephone bills. This is usually as a result of the installation of software diallers that call premium rate services from computers. In some cases the installation is done secretly via the internet, or it is installed by someone other than the bill payer. 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. We offer several services to warn customers and help them protect themselves:

- BT Modem Protection – a free software download that stops PCs dialling premium rate or international numbers, even if dialler software is present. Customers are warned if their modem starts to dial anything other than a list of approved numbers.
- Customers can sign up to BT Privacy by calling 0800 121 8000 or registering online [here](#). Customers who already have a caller display service for BT Privacy should call 0800 121 8000.
- BT Privacy Online SMS Alert - an early warning system for customers affected by diallers. If a customer's bill rises dramatically above its usual pattern in a day or a call is made to a destination suspected of operating unregistered diallers, a text or voice message is immediately sent to the customer's landline. A premium rate bar can then be placed on the line.

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

Rapid changes in technology and product offerings can make it difficult for customers to understand the price of new products and services. For example, call charges may vary depending on time, location and a customer's contract.

We aim to make our prices clear so customers know what they will pay to use our services. We have simplified our pricing structures for consumers with a range of call packages and broadband services.

In financial year 2007 we reduced the price of the inclusive minutes in our BT Together Option 2 and 3 price plans by almost a third. Our '[Value Check](#)' service enables consumers to compare BT's prices with those of our competitors.

BT business customers can control their costs by capping the price of certain calls within BT Business Plan.

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

We sell some products in packages enabling customers to buy several products at once. This may often result in a better deal for the customer. We try to ensure that customers don't end up paying more or buying services they don't need.

This year we introduced a monthly charge for UK customers who do not pay their bills by Direct Debit. See [Low income customers](#).

Advertising

We are one of Britain'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, BT can:

- Avoid adverse publicity
- Avoid risk of prosecution.

BT's values in this area are set out in the BT Statement of Business Practice and the BT Competitive Marketing Principles.

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

The BT Competitive Marketing Principles refer to BT selling its products and services positively, on their merits, persuading customers to buy BT because of excellence in facilities, price, delivery, quality, service and value for money.

In the 2007 financial year, there were 36 complaints made to the Advertising Standards Authority about BT and 1 of these were upheld. During the 2007 financial year, BT made 30 complaints to the ASA, of which 7 were upheld.

Products and services

New technologies are enabling us to provide a range of new products and services to meet customer needs.

Key factors include:

- **Convergence** - bringing together telecommunications, IT, the internet and television in new ways to create new products and services.
- **Broadband** – which provides the capacity and speed that make converged services possible. Over 99% of the UK population now have access to a broadband connection.
- **Twenty-First Century Network (21CN)** – our next generation internet protocol network which will bring new voice, data, broadband and multimedia services to business and homes more quickly and more cheaply.

Our products and services in brief

Our products and services now include:

- Networked IT services for major business and public sector customers (see below)
- Fixed-line telephone services for business and UK and Ireland residential customers
- Higher-value broadband and internet products and services, including: Business and consumer broadband packages; BT Vision – our next generation television service, made possible by the convergence of digital

broadcast and broadband technology; BT Home Hub - a device that wirelessly connects PC's and other broadband devices; BT Fusion - an intelligent mobile service that switches calls to a BT broadband line when the user is at home or near a compatible WiFi network

- Network services to other communications companies through Openreach and BT Wholesale.

We operate Openreach as part of our regulatory agreement with Ofcom, the UK communications industry regulator. Openreach works for all UK communications providers to give them equivalent access to the UK's network. It enables them to provide their customers with everything from analogue telephone lines and call packages, to high-speed broadband connections and complex networked IT solutions.

Our services for business customers

Our business customers include 40 % of the top 50 Fortune 500 companies and 80% of the UK FTSE 100. We provide major corporate and public sector customers with a range of networked IT services tailored to their needs. Services include:

- Integrated networks for voice, data and internet access, enabling global organisations such as PepsiCo, Reuters, Unilever and Visa to communicate and collaborate efficiently across multiple sites;
- Innovative IT solutions such as the systems we are developing for the UK National Health Service, enabling online patient records, appointment bookings, prescription transfer and patient records
- IT systems including server hosting and data storage;
- Security including firewall protection, remote access, disaster recovery, risk resilience, compliance and business services;
- Industry specific solutions such as electronic trading systems for the financial sector and advanced communications services for the oil and gas sector;
- Customer relationship management helping companies build stronger and more productive relationships with their customers.
- Global outsourcing, out-tasking (a form of outsourcing) and professionally managed services.

Inclusive services

At BT we aim to be the best provider of communications services for everybody in the UK - including those on low incomes and people with a disability.

This section covers:

- Our products and services for the elderly and people with disabilities
- Our price packages for people on low incomes
- Our policy on payphones

Payphones

BT has a legal duty - known as our Universal Service Obligation - to make basic telephone services available to all UK consumers, throughout the country and at affordable prices. This includes providing payphone services to meet community needs, including rural communities.

We currently have 62, 472 public payphones in operation, with a further 17,222 managed payphones. Calls from public payphones have fallen considerably in recent years – 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 2007 financial year, we removed 1300 public payphones. None of these removals resulted in the total loss of payphone services in the areas affected. Before deciding to remove a public payphone we look at several factors including the age profile of the local population and mobile phone coverage in the area.

Accessibility

We want to make it easier for the elderly and people with disabilities to use our products. This is good for our customers and our business. According to research by the Department for Work and Pensions, people with disabilities in the UK represent an annual spending power of £80 billion. It also helps us to comply with regulatory requirements and the UK's Disability Discrimination Act 1995.

We have had an Age & Disability Team since 1984, who champion accessible product design within BT and work with local communities to improve access to communications.

This section summarises our approach. More information is available on our [Age and Disability Awareness website](#).

Inclusive design

BT's Age & Disability Team work alongside our product managers to promote inclusive design. We aim to review all new product proposals to ensure that disability issues are considered from the beginning through to product launch.

Accessible Products

We have a number of products designed specifically for people with disabilities. In addition many standard features found across our product range can be useful for people with different impairments. Our accessible products include:

- The BT Big Button phone launched in 1998 with an easy-grip handset and larger keys that help elderly customers and those with limited mobility.
- TextDirect which enables people with hearing impairments to have real-time telephone conversations with anyone they choose
- BT Text, which reads text messages aloud in fluent English so that anyone can send or receive texts.

Publications

Our [Age and Disability Action website](#) has extensive information that provides guidance on accessibility issues and information on suitable products and services from BT. Publications available on the site include:

- [Sound Connections Guide](#) - our guide to hearing better on the phone
- [The Internet: It's easier than you think](#) – our guide encouraging people to get online.

British Sign Language

We have produced a British Sign Language (BSL) guide to broadband and the benefits it offers. We are the first major UK company to provide a BSL section on our website [here](#).

Low income customers

This section explains our phone services for low income customers, our policy on Direct Debit payments and our approach to disconnections.

Phone services for low income customers

A phone service can act as a lifeline. We provide a basic telephone service for everyone, including people on low incomes or those who have trouble paying their bills. The services are:

- BT's Light User Scheme is a service for customers who need a phone but can't afford to make many calls. It is available on BT residential phone lines. Customers pay standard rental and call charges, and receive a rebate if their bill is below a certain level. Almost one million customers benefit from the scheme. This is a level of support for the needy that we believe is unmatched by any other UK business.
- BT In-Contact Plus is a basic telephone service that offers normal incoming call facilities, but restricts outgoing calls to 999, 112, 150, 151 and 12822 (Ring Me Free). It is aimed at customers who previously could not afford a telephone service, as well as those customers who need to control their telephone costs. The joining fee is £9.99 (inc VAT), and there is a quarterly rental of £10.25 (inc VAT).
- BT Pay & Call is a new 'pay as you go' service. It provides a BT fixed line service which is pre-paid by credit or debit card or by using BT's Pay & Call Payment Card (cash payments at PayPoint). Over 400,000 customers use the service.

Charges for Non-Direct Debit payment

This year we increased the monthly price paid by non-Direct Debit customer relative to those paying Direct Debit by 50p to £1.50. This change preserves BT's market-leading competitive position as the operator with the most customer friendly payment policies, offering the most ways to pay. The leading competitors either do not accept customers paying by non-Direct Debit or charge them a much heavier premium (up to £4 a month). 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 being applied to customers on special 'social' packages for those on low incomes.

Disconnections

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 have temporary payment difficulties, we are eager to work with them to avoid having to disconnect their service. For example, by agreeing 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 (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.

For more information, see [BT Customer Service](#).

e-business

Converting from paper-based to electronic transactions – we call it e-business – saves paper and money.

[The Woodland Trust](#) has worked with us to reduce the amount of paper that we send to customers. The partnership now spans three departments within BT – business, conferencing and consumer.

The main effort has been to reduce printed consumer bills. In July 2005, we launched the paper-free billing campaign. For every customer who signs up for BT buys a native sapling for the Woodland Trust to plant. The UK is currently one of the least wooded countries in Europe with 12% tree cover compared with a European average of between 30% and 40%.

Our target is to get 90,000 customers to switch to the paper-free option. We promote this through incentives such as the weekly £1,000 prize draw for those customers that switch.

Customers shifting to direct debit payments can do this without completing any paperwork by going online or using the telephone. Each paperless sign-up saves us mailing one paper direct debit instruction, one leaflet explaining payment options and one return envelope – as well as the original envelope.

Customers - Key Performance Indicators

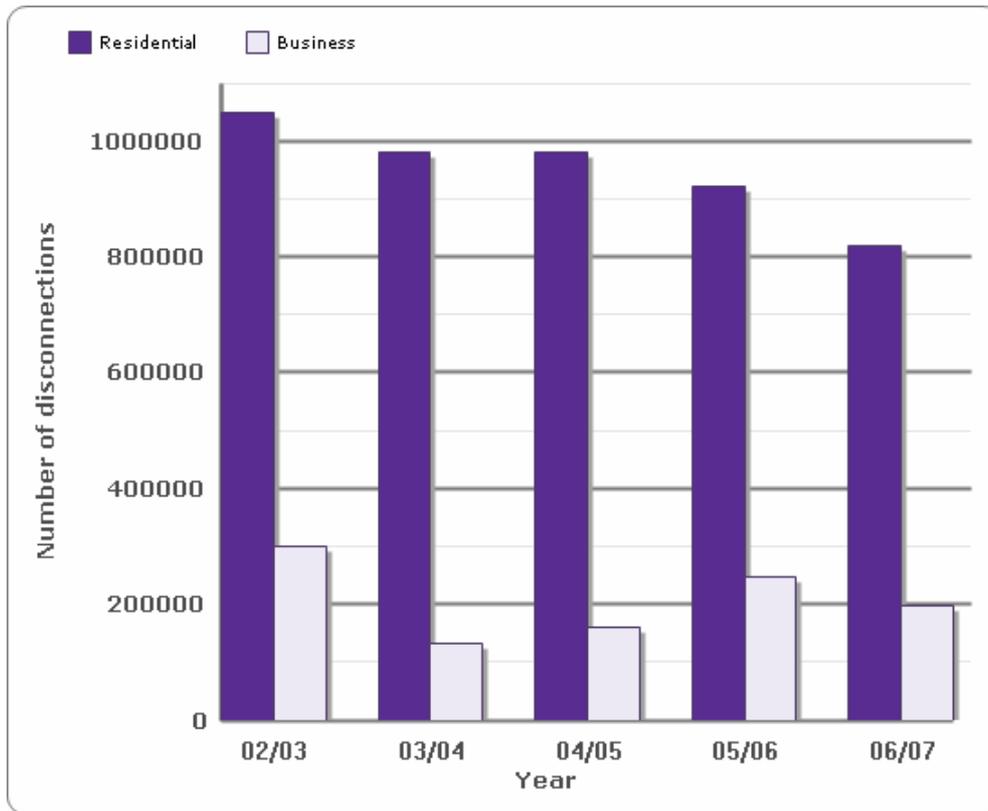
Indicator	Description	Measure	Target
Customer Service	A measure of satisfaction across BT's entire customer base	Increase in satisfaction around 3% during the 2007 financial year.	To improve customer service in line with the corporate scorecard target as overseen by the Board remuneration committee*
UK Addressable Broadband Market	A measure of the geographical reach of broadband	99.8% of UK homes and businesses have access to broadband.	Replaced by new digital exclusion target.

* Customer service is defined as - Right First Time' (keeping our promises) and 'Cycle Time' (the speed at which we deliver service). In 07/08 The Group target will be focused on Right First Time.

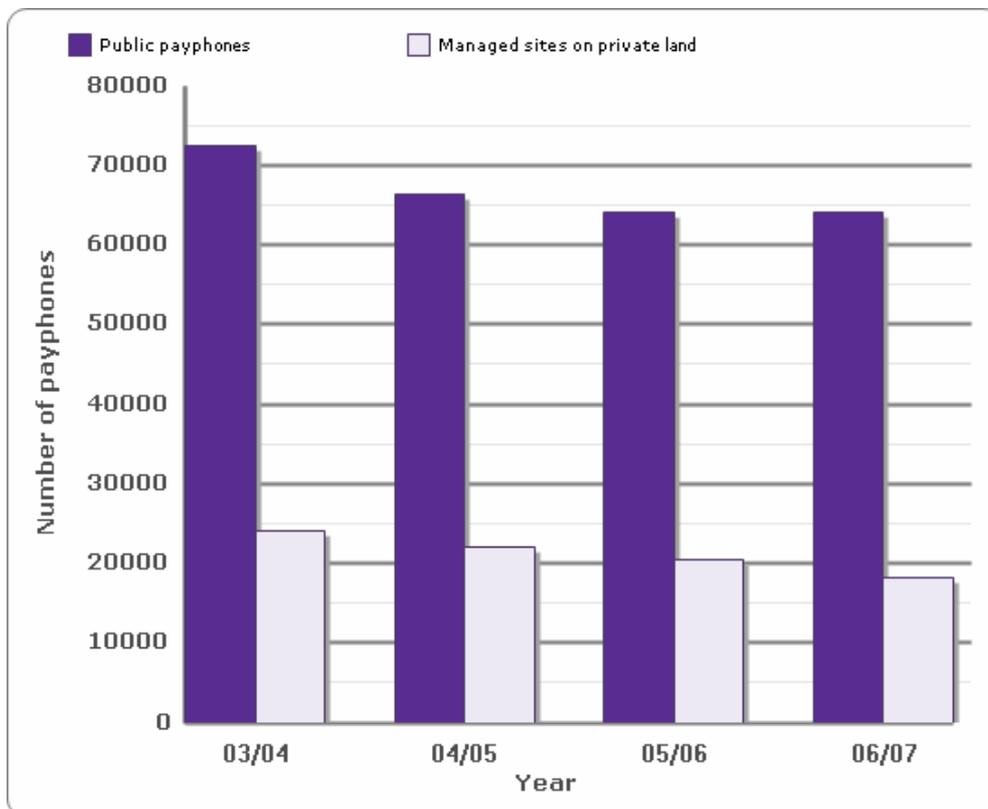
Customers Targets

Start Date	End Date	Description	Update	Target Status
April 2007	March 2010	BT will work with relevant organisations in the public, private and charity sector to reduce the percentage of people who are digitally excluded by 10% over a three year period, commencing in 2007.		New
April 2007	March 2008	BT will improve customer service in line with the corporate scorecard target as overseen by the Board remuneration committee.		New
April 2006	March 2007	BT will maintain its Broadband coverage at 99.7% and actively look for economic opportunities to extend.	As of 31st March, 99.8% of all UK households were enabled.	Completed
April 2006	March 2007	BT will increase the number of extremely and very satisfied customers by 5%.	We achieved an increase of around 3% in customer satisfaction in the 2007 financial year. The customer satisfaction target of 5% was therefore not met.	Failed

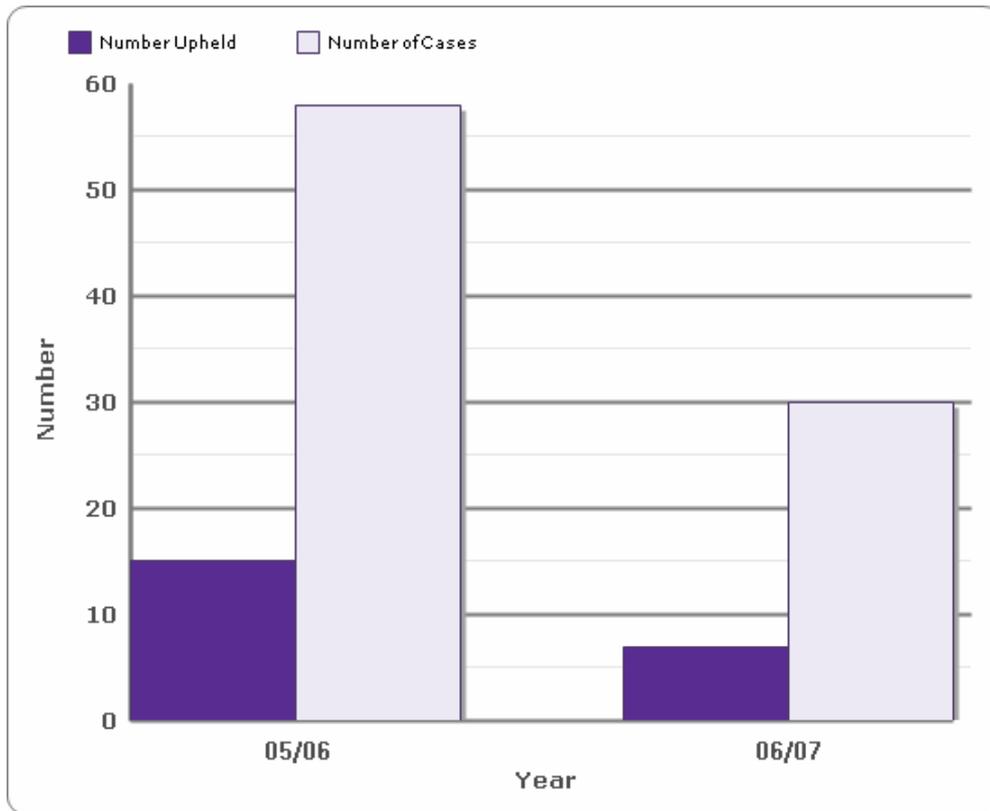
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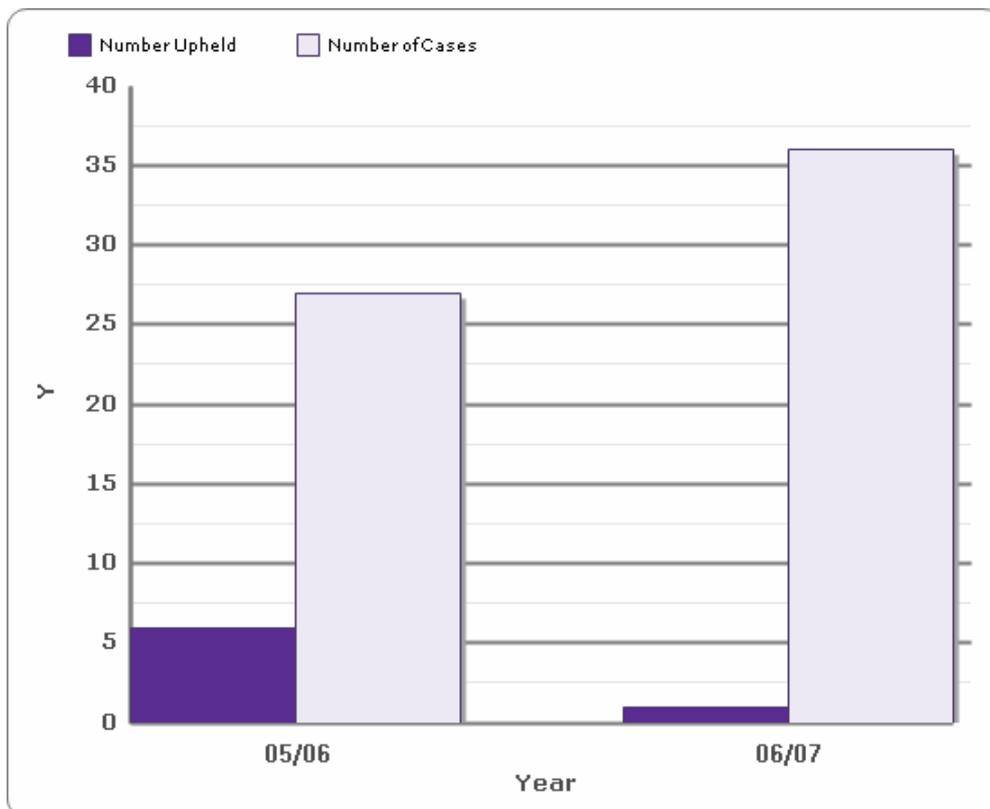
Payphones



Formal Complaints to ASA by BT



Formal Complaints to ASA against BT



Broadband coverage

