



Under strict embargo until: 00.01hrs Friday 15th April, 2011

CUSTOMERS GIVE HOME PHONE FIRMS THUMBS DOWN AS RATES RISE 31% IN JUST 7 MONTHS

2011 has seen average pay increases of 2.2%, inflation rising to 4.4% and energy bills increasing by 5.9%^[1], yet over 23 million^[2] home phone customers could be hit by price rises of up to 16% by summer^[3]. Worse still, this is the second round of increases in less than a year, meaning that in some cases rates have risen by as much as 31%^[3]. As a result, the UK's largest independent Home Phone Customer Satisfaction survey reveals the first drop in customer satisfaction since 2008:

- **Satisfaction with value for money drops 3% since 2010 – just 64% of home phone customers are satisfied^[4]**
- **Less than 6 out of 10 customers (58%) are satisfied with customer service provided by their phone company – down 2% since 2010^[5]**
- **All major phone firms see overall satisfaction scores drop except for BT – yet it remains least popular provider for 4th year running**
- **Sky stays Best Overall Provider for 4th year running with 84% of customers satisfied, coming top in 9 out of 10 awards**
- **TalkTalk sees biggest drop in scores – satisfaction with value for money crashes from 84% to 74% and satisfaction with customer service falls from 59% to 50%**
- **Virgin Media gains from TalkTalk's decline, moving into second place with 76% of customers satisfied overall – but falls down from 80% in 2010**
- **Average phone bill now stands at £217 a year^[6] - but further rises this month will potentially hit over 20 million customers, stretching to 23 million if Sky raises its prices in June^[2].**

With cash-strapped phone customers bracing themselves for yet another round of price increases, the latest uSwitch.com Home Phone Customer Satisfaction Report reveals the first drop in customer satisfaction in three years. Sky, the newest competitor in the poll, wins 'Best

Overall Provider' while BT, the oldest contender, comes bottom for the fourth year running. Overall the survey shows customer service dropping 2%, with just 58% of customers now satisfied, and satisfaction with value for money dropping to 64% from 67% last year.

The survey of over 7,500 customers comes as BT, TalkTalk and Virgin Media introduce price increases of as much as 16% to line rental, daytime call rates or call set up charges from as early as 1st April^[3]. But Sky customers could also be affected: its website indicates that prices will increase on 20th June. But, for some customers, this is the second wave of price increases in just seven months, having already undergone a round of painful hikes in September 2010. As a result, the true increase to some rates is as much as 31% in only seven months^[3].

Table 1: Key home phone price hikes^[3]

Company	Effective from	Key changes	% rise since 30/9/10
BT	28 th April	- Line rental up 2% from £13.60 to £13.90 a month (excluding Line Rental Saver customers)	9%
		- Daytime call rate up 9% from 7p to 7.6p per minute	29%
		- Call set-up fee up 9% from 11.5p to 12.5p per call	26%
Sky	n/a	- Prices set to increase from 20 th June (details not currently disclosed)	
		- Line rental currently £11.25 per month	2%
		- Daytime call rate currently 6.03p per minute	2%
TalkTalk	1 st May	- Call set-up fee currently 10.11p per call	2%
		- Line rental up 2% to £12.60 a month	10%
		- Daytime call rate up 16% from 6.54p to 7.6p per minute	31%
Virgin Media	1 st April	- Call set-up fee up 12% from 11.14p to 12.5p per call	26%
		- Line rental up 6% from £12.24 to £12.99 a month	8%
		- Daytime call rate stays at 8.68p per minute	2%

		- Call set-up fee stays at 12.24p per call	11%
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Winners and Losers in the uSwitch.com Customer Satisfaction Report

For the fourth time in a row, **Sky** is voted 'Best Overall Provider' with 84% of its customers satisfied. The company wins 9 out of 10 categories including Best Value for Money and Most Likely to be Recommended. Sky is the youngest of the four major home phone companies included in the rankings. Formed less than five years ago, it now has almost three million customers signed up to its Sky Talk home phone service^[2]. Unfortunately they may see their bills rise soon, with its website indicating potential rises from 20th June, although further details will not be announced until May.

Sky's traditional arch-enemy, **Virgin Media**, is runner-up for Best Overall Satisfaction, overtaking TalkTalk by a mere 1% to see 76% of customers satisfied overall. Virgin Media wins three awards including Best Customer Service. But its 4.3 million phone customers^[2] have seen their line rental rise 6% this month and the company takes third place for value for money satisfaction behind Sky and TalkTalk.

For the fourth time running, **BT** received the lowest score for Overall Customer Satisfaction in the poll, but has seen improvements to place it above TalkTalk in both the Customer Service and Likely to be Recommended category. The UK's incumbent phone company has come last in 8 out of 10 categories and has the lowest score for Value for Money for the 8th time running. From 28th April, BT customers will see line rental rise 2% and both daytime call rates and call set-up fees rise 9%.

TalkTalk comes third with 75% of its customers satisfied overall, but has seen its satisfaction scores drop across the board. Plagued by problems since the acquisition of Tiscali in 2009, its score for customer service has dropped from 59% to 50%. TalkTalk won Best Value for Money last year, but its score in this category has now dropped by a massive 10% from 84% to 74%. Hot on the heels of BT, the company has announced a series of price increases over the last year and from 1st May, customers will see line rental rise 2%, daytime call rates rise 16% and call set-up fees rise 12%. TalkTalk's dip is most visible, however, in the Most Likely to be Recommended category. Having come second last year with a score of 70%, it has fallen to last place this year with just 54% of customers prepared to recommend the company to a friend.

Ernest Doku, technology expert at uSwitch.com, comments: “As if the VAT increase wasn’t enough of a blow to customers, this latest round of price rises well and truly sticks the knife in. Customers have witnessed a double whammy of increases over the last seven months, and, if this pattern continues, they could well be in for more price rise misery in October.

“It’s true that the telecoms industry is under pressure to invest in the roll-out of broadband to rural areas. It seems though that home phone rather than broadband customers could be paying the price. Hardest hit are those who are at home during the day and rely on their landline to make and receive the majority of their calls, such as the elderly and vulnerable. It’s really important that they make sure they are on an all-inclusive calling plan if they want to escape these hikes.

“The best advice to keep bills down is to look at when you make the most phone calls and make sure that you are on a calling plan that fits this picture. It could be well worth moving to a deal that offers free evening and weekend calls, or for those at home all day, free ‘anytime’ calls. If you just need line rental, consider moving away from the ‘Big 4’ to a company such as Primus which offers line rental for £6.79 a month, instantly saving £85 a year against the most expensive provider.”

Table 2: Winners and losers of the uSwitch.com Home Phone Satisfaction Awards 2011

Category	Winner	Loser
BEST OVERALL CUSTOMER SATISFACTION	SKY	BT
Most likely to be recommended	Sky	TalkTalk
Best value for money	Sky	BT
Best customer service	Virgin Media	TalkTalk
Best for billing	Sky, TalkTalk and Virgin Media	BT
Best Talk and Payment Plan	Sky	BT
Best Online Account Management	Sky and Virgin Media	BT
Best ‘deal for you’	Sky	BT
Best for ease of use	Sky	BT
Best for setup support	Sky	BT

The full results can be viewed at www.uSwitch.com where customers can compare levels of customer service alongside information on cost and potential savings.

For more information visit www.uSwitch.com or call 0800 093 0607

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Notes to Editors:

Reference to satisfied customers includes only those who responded positively that they were very satisfied or fairly satisfied. Only those who responded as fairly dissatisfied or very dissatisfied are referred to as 'dissatisfied'.

Satisfaction ratings and rankings in tables are determined only by the percentage of satisfied respondents.

Total sample size in the YouGov survey was 7,759 adults. Fieldwork was undertaken 16th – 21st February 2011 with analysis conducted in March. The survey was carried out online. Specific reporting of results published for suppliers that received 150 or more responses. Data has not been weighted. Comparisons to 12 months ago refer to same YouGov survey conducted 1st – 6th February 2010.

1. uSwitch desk research:
 - a. 2.2% pay rise – from The 2011 National Management Salary Survey
 - b. 4.4% inflation – CPI March 1011
 - c. 5.9% energy rise since November - Based on a medium user customer using 3,300 kWh of electricity and 16,500 kWh of gas, on a standard Dual Fuel plan, paying quarterly by cash or cheque with bill sizes averaged across all suppliers and all regions.
2. BT, TalkTalk and Virgin Media home phone customers to see rises to line rental and/or call rates. BT has 12 million home phone customers, TalkTalk has 4.2 million and Virgin Media has 4.3 million, totalling 20.5 million. Sky has 2.8 million home phone customers. Customer numbers from supplier press offices.
3. See Table 1 in press release:
 - a. BT line rental was £12.79, daytime call rate 5.9p and set-up fee 9.9p in Sep 10
 - b. Sky current increase due to 2.5% VAT increase – but website as at 12/4/11 states prices to increase from 20th June although further details will not be announced until May: <http://www.sky.com/shop/broadband-talk/>
 - c. TalkTalk's daytime call rate was 5.8p and set-up fee 9.9p in Sep 10
 - d. Virgin Media's line rental was £11.99 in Sep 10. It also raised its call connection fee from 11p to 11.99p on 1st October.
4. Overall 64% of customers are now satisfied with value for money, compared to 67% in 2010.
5. In 2010, 60% were satisfied overall with customer service
6. According to the survey customers now spend on average £18.12 a month on their home phone line rental and calls. This is £217 a year.

About Us:

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

The service is also available via fax and post. Consumers should fax 020 7233 5933 or write to Customer Services, uSwitch.com, Centro 3,19 Mandela Street, London, NW1 0DU, with their postcode and usage details.

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	Best Overall Customer Satisfaction					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	71%	4	72%	4	1%	0
Sky Talk	86%	1	84%	1	-2%	0
TalkTalk	82%	2	75%	3	-7%	-1
Virgin Media	80%	3	76%	2	-4%	1
Average	77%		75%		-2%	
Range	15%		12%		-3%	

	Most Likely to be Recommended					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	56%	4	57%	3	1%	1
Sky Talk	72%	1	66%	1	-6%	0
TalkTalk	70%	2	55%	4	-15%	-2
Virgin Media	65%	3	60%	2	-5%	1
Average	62%		58%		-4%	
Range	16%		11%		-5%	

	Best Customer Service					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	56%	4	57%	3	1%	1
Sky Talk	66%	1	60%	2	-6%	-1
TalkTalk	59%	3	50%	4	-9%	-1
Virgin Media	66%	1	62%	1	-4%	0
Average	60%		58%		-2%	
Range	10%		12%		2%	

	Best Talk and Payment Plan					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	67%	4	66%	4	-1%	0
Sky Talk	85%	2	79%	1	-6%	1
TalkTalk	86%	1	77%	2	-9%	-1
Virgin Media	71%	3	67%	3	-4%	0
Average	73%		70%		-3%	
Range	19%		13%		-6%	

	Best for Ease of Use					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	76%	4	72%	4	-4%	0
Sky Talk	90%	1	89%	1	-1%	0
TalkTalk	89%	2	84%	3	-5%	-1
Virgin Media	89%	2	87%	2	-2%	0
Average	83%		80%		-3%	
Range	14%		17%		3%	

	Best for Setup Support					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	61%	4	57%	4	-4%	0
Sky Talk	84%	1	81%	1	-3%	0
TalkTalk	81%	2	72%	3	-9%	-1
Virgin Media	76%	3	74%	2	-2%	1
Average	71%		68%		-3%	
Range	23%		24%		1%	

	Best Value for Money					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	56%	4	57%	4	1%	0
Sky Talk	82%	2	76%	1	-6%	1
TalkTalk	84%	1	74%	2	-10%	-1
Virgin Media	69%	3	62%	3	-7%	0
Average	67%		64%		-3%	
Range	28%		19%		-9%	

	Billing Services (Best for Billing)					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	71%	4	73%	4	2%	0
Sky Talk	80%	2	76%	1	-4%	1
TalkTalk	84%	1	76%	1	-8%	0
Virgin Media	79%	3	76%	1	-3%	2
Average	76%		74%		-2%	
Range	13%		3%		-10%	

	Best Online Account Management					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	63%	4	61%	4	-2%	0
Sky Talk	79%	1	73%	1	-6%	0
TalkTalk	78%	2	65%	3	-13%	-1
Virgin Media	76%	3	73%	1	-3%	2
Average	70%		66%		-4%	
Range	16%		12%		-4%	

	Best Deal For You					
	Mar-10		Mar-11		Change (10 to 11)	
	Score	Position	Score	Position	Score	Position
BT	41%	4	39%	4	-2%	0
Sky Talk	59%	1	54%	1	-5%	0
TalkTalk	58%	2	49%	2	-9%	0
Virgin Media	45%	3	41%	3	-4%	0
Average	47%		43%		-4%	
Range	18%		15%		-3%	