

**M&B Direction Table 1 Note b £500 Value
Interpretation and Guidance Document**

Scope of this Paper

Consideration is being given to the treatment of large value fixed standing or rental charge items such as Business Rentals, which are processed largely manually, with substantial human intervention, by the Communications Provider (CP).

Definition

"Large Value" is to be interpreted in relation to the £500 figure in Note b, in circumstances where a single error would breach the limit.

Recital

Whereas:

- a. The Direction Clause 7.4.3 states "Limits shall not be applied which would require any CP to operate its part of the TMBS free from any error". This is accepted as a general policy throughout the Scheme;
- b. Scheme Guide Clause 12.5.9 states that; in cases where the subject number is small relative to the accuracy requirement, the Approval Body (AB) may determine ... requirements more appropriate to their subject, in discussion with the CP and in the spirit of the Direction;
- c. General Condition of Entitlement, Condition 11.4 requires the CP to "comply with any directions made by the AB in respect of such approval";
- d. Table 1 of the Metering and Billing Direction [22nd July 2003] (the Direction) was designed around automated processes for creating Bills, mainly assembled from a large number of small value items and is still to be applied for that purpose;
- e. It is one of the Scheme's objectives, under the Direction Clause 4, to encourage CPs to improve individual Bill accuracy, and to correct errors;
- f. The onus is on the CP to make and justify a request for treatment under this guidance note; and
- g. Cases invoking this guidance note will be subject to review in the AB Forum to ensure consistent interpretation and application.

Corrected Bill Conditions

Where an error affecting a large value fixed standing or rental charge is:

- a. Identified; and
- b. Corrected by the presentation of a corrected Bill after the despatch of the incorrect Bill but before the payment is due,

then that error can be excluded from determining compliance with Table 1 note b of the Direction, provided that:

- a. The cause of the error is noted as a "Category 2 or 3 Deficiency"¹ as appropriate (Clause 10.2 of the Scheme Guide refers); and
- b. A commitment is made by the CP to a corrective action plan to achieve continuous improvement to meet the requirements of the Direction, as promoted by ISO 9001: 2000. Clause 12.10 of the Scheme Guide and Clause 8 of the Direction refer.

Errors affecting "high spending customers"

Where the circumstances of the CP would invoke Note b of Table 1 in the Direction, because:

- a. It affords a higher value (£) than the 1:50K tolerance; and
- b. The cumulative error for individual (large value) fixed standing or rental charges equals or exceeds £500 per month.

Then it is permissible for ABs to exclude these errors when determining compliance, provided;

- a. Such errors do not originate from more than 5% of, or 3, such similar Bills (whichever is the larger);
- b. The cause of the error(s) is noted as a "Category 2 or 3 Deficiency"¹ as appropriate (Clause 10.2 of the Scheme Guide refers.); and
- c. A commitment is made by the CP to a corrective action plan to achieve continuous improvement² to meet the requirements of the Direction, as promoted by ISO 9001: 2000. Clause 12.10 of the Scheme Guide and Clause 8 of the Direction refer.

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¹ If the CP and AB agree the errors are serious enough to be a Category 1 non-compliance then approval would be delayed until corrective action had been taken, but the historical incident could then be ignored in determining compliance.

² Continuous Improvement should seek to reduce the 5%, which may be perceived as a high process error rate.