

3.17 Deputy G.C.L. Baudains of the Minister for Treasury and Resources regarding the resolution of the problems with J.T.'s billing system:

Would the Minister, as shareholder representative, advise whether the Jersey Telecom billing problem is still ongoing and, if so, who is responsible, can it be resolved and does this problem in conjunction with fibre-optic issues and broadband limits have the potential to adversely affect J.T.'s value?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

As previously advised to the Deputy the decisions taken by the J.T. board in regard to the change of its operating platform as well as the move to fibre and the underlying broadband services are decisions taken in the best interests of the company but also, I have to say, from the position I have as the Minister for Treasury and Resources I believe in the best interests of Islanders and particularly of economic growth. It is, of course, for the board to make these decisions and it is the Treasury's role to hold that board to account and that is a responsibility I hold extremely seriously. I have previously indicated that I am reviewing with my Assistant Minister in the Treasury the overall framework and the objectives of the company, and that is exactly a healthy thing to do. J.T.'s strategy is correct and its implementation and what it is doing is ambitious although difficult and challenging, as has been seen by the fundamental change in the billing system that is not just a billing system, it is the whole of the financial architecture. On value it is probably worth saying that since, as far as the States accounts are concerned, J.T.'s value has increased from £105 million in the 2010 accounts to £183 million in last year's accounts. Indeed, if one was to take the Manx Telecom valuation now publically listed that would indicate that J.T. today, on those terms, would have a value of the region of £350 million to £400 million.

[11:15]

3.17.1 Deputy G.C.L. Baudains:

The Minister did not answer part of my question about whether the billing problem can or cannot be resolved. We know that cheques are no longer acceptable, bills arrive months late and some firms owe Jersey Telecom hundreds of thousands of pounds because of these delays. Does the Minister not agree that firms that normally put their own interests before that of their customers end up with problems and it may affect J.T.'s value in that regard?

Senator P.F.C. Ozouf:

I am more than happy that the Treasury acts on behalf of this Assembly and holds companies we are responsible for to account and to say tough things in private to those entities, and the Assistant Minister and I do so. We ask tough questions. But I have to say J.T., in respect of what is described as a billing system, would have made a disservice to users, consumers, the Island and the shareholder if it had not put a comprehensive new financial platform in place. With all big financial transformations there are implementation issues and J.T. needed to deal with some. There were some billing issues but all the information I have including, which I can send to the Deputy, updating exactly how many people have been calling the call centre, the seconds it takes to answer them. They have taken the issue seriously, they have dealt with the problems they are dealing with and I would ask the Deputy to reflect on the positive action that has been taken to date in doing the right thing, in making sure their financial systems are capable of dealing with the future rather than just simply criticising because I do not think it is entirely fair.

3.17.2 Deputy J.M. Maçon:

Does the Minister accept that to simply take all the complaints J.T. receives at face value is not necessarily the whole story as people like me have given up complaining because of the bad service we are receiving. [Approbation]

Senator P.F.C. Ozouf:

If a bad service is because there was a billing issue that was in the period up until Christmas when J.T. completely changed not just the billing system, it is not just the printing system that ended up with billing, it is the entire financial architecture of the company. I asked the company with my Assistant Minister and the Treasurer: “Exactly how many dress rehearsals did you have on that? What did you do about data migration?” On all those issues, and frankly issues went wrong, but they prepared well and they have responded. If the Deputy has an issue, then please call the J.T. line. It is being answered, I think, 90.2 per cent of calls are being answered by agents within 40 seconds. They have put resources into dealing with consumers’ questions and consumers now have better information about their bills, when it is being incurred and are assisting consumers to ensure they are getting best value and they are understanding charges.

3.17.3 Deputy J.M. Maçon:

Supplementary, Sir. I did one better than calling the J.T. I went in personally and I have not received a reply from them since 2 months from talking to them in person. How can the Minister expect me or other members of the public by implication to have confidence in J.T.?

Senator P.F.C. Ozouf:

I regret that the Deputy did not get an answer. It is quite unfair for Members that might have an isolated issue to somehow cast aspersions. There are hundreds of people who have had their questions and their queries on a new bill and none of us like change. I did not understand my new bill but I understand now that the new bill format, once I looked at it, was providing much better information and the roll-out of J.T. in providing customers with better information, more accurate information, timely information rather than just simply the end of their month on mobile uses, *et cetera*, is providing better customer service. I will take up the Deputy’s question. Indeed, I will take up any other question that Members may have and I will get it solved but at the moment 90.2 per cent of calls are answered within 40 seconds.

3.17.4 The Connétable of St. John:

I am concerned what I am hearing from the Minister. Can he tell us: is billing done off-Island? He talks about a call centre. Is that on-Island or off-Island? If so, what that does do to our unemployment numbers if we are employing people from off-Island to run these particular areas?

Senator P.F.C. Ozouf:

The call centre, despite the fact that I have already answered this question previously, is on-Island. I would also remind the Connétable before he starts casting aspersions on J.T., on the one side we want lower prices and an efficient company and therefore J.T. does need to run an efficient and competitive service that, of course, is in a competitive market with other telecom providers that are not operating in Jersey. I would remind the Connétable of the amount of apprentices and people that are being employed in terms of rolling-out the fibre issue that the Connétable also and other Members have criticised. Now I find it somewhat ironic that the complaints to Islanders are not whether or not fibre is happening but the fact that it is not happening fast enough. Clearly we cannot win but J.T. is taking local employment seriously and has helped to get some young people back into work and that is a good thing.

3.17.5 The Connétable of St. John:

The Minister did not answer the question about billing off-Island but while I am on my feet I too, like the asker of the question, had a query that went on for 3 months before I had it resolved. It had to be resolved eventually because I wrote to the chairman of Telecom but I should not have had to do that. I would be telling the public who are listening here today, if you have a query write to the Chairman himself and then something might happen because if he has sufficient correspondence he will do something about it further down the line.

Senator P.F.C. Ozouf:

Can I thank the Member who sent me some Tunes for my voice? I am most grateful. I would not be the best operative in a call centre today but I will try to do my best to answer questions. The Connétable simply continues and I do not understand. There is a disconnect between what I hear about the customer service from J.T. giving and the isolated examples that I hear from a number of Members. I have just had a message. The J.T. call centre, somebody has called it and it was answered within 10 seconds. I will take the Connétable outside and perhaps he can call with Deputy Maçon to solve their issues straight away and we will get them solved. **[Approbation]** He does not need to write to the Chairman or me or ask questions in the Assembly. The call centre here in Jersey is delivering and I congratulate J.T. and thank all of their hardworking staff who have dealt with the financial transformation that is providing better customer service.

3.17.6 Deputy R.G. Le Hérissier:

I am sure the Minister would acknowledge he made a little slip in that he did not accept the notion that the bills were in fact emanating from the U.K. Perhaps he would like to clarify that. I wonder on a broader issue would the Minister tell the House what lessons he feels he has learnt from the recent ruckus over the billing?

Senator P.F.C. Ozouf:

I think the misnomer is the bills are posted from the U.K., those that are posted and those that J.T. saves money on by filing most bills obviously online now. I understand that is a postage issue but I am not going to tell J.T. again to be protectionist in relation to that. I think it is the post that is the issue there. Lessons learnt: clearly J.T. has learnt a lot of lessons in the fibre-optic roll-out and, indeed, the billing system. But we should not underestimate the scale of transformation of this entity. This was a States department 10 years ago running on States systems, operating effectively as a committee of this Assembly. They have moved in one of the most fast-moving, dynamic worlds quickly and they are responding. They are evolving and they are serving Jersey's economic growth and serving Jersey's community. I am proud of what J.T. is doing. They are learning lessons. That is the dialogue we have with them there, and we are looking at their objectives. We are going to ensure that we are aligned completely with the Minister for Economic Development to ensure that the objectives of this Assembly are those objectives with J.T. and they are remunerated and motivated on that basis. It is ongoing lessons, learning lessons every day. You do not get everything right all the time but you learn and improve and that is what they are doing.

Deputy R.G. Le Hérissier:

I do thank the Minister for that but what lessons has he learnt? That was the question.

Senator P.F.C. Ozouf:

I have learnt that you have to be extremely well prepared in States questions **[Laughter]** but you have to know everything from dripping taps to Deputy Maçon's telephone issue to the

Connétable of St. John's absence of technology and the fact that he still does not have an iPad and we have to print out issues for him because he does not receive email. **[Laughter]** We have to be apparently an expert on everything that these infrastructure companies own and clearly we have to raise taxes also, apparently, in order to fund the infrastructure because this Assembly sets up these entities and then wants to micromanage them. I do not think that is quite right.

Senator S.C. Ferguson:

I have a comment, Sir, that it is not that...

The Bailiff:

Can we have a question?

3.17.7 Senator S.C. Ferguson:

I have a question too, Sir. It is not the fact that the replies to the calls are replied to quickly but were the explanations available immediately? I am, in fact, in discussions with J.T. because the bills are appalling if you are trying to read them online. Does the Minister not think it would be a good thing to have the J.T., bills as easy to deal with for the public as those for J.E.C. (Jersey Electric Company) and the Water Company that are also available online?

Senator P.F.C. Ozouf:

I look forward to the day when I get some agreement and I satisfy Senator Ferguson on something **[Laughter]** because I just simply never achieve that, and on April Fool's Day I do not know. Let us be clear. J.T. provides water on largely either a rateable value or a litre business. The J.E.C. provides a standing charge and a tariff for water. J.T. is running an internet business, fixed line data on a plethora of tariffs and I would remind the Senator, and I think she knows this because I answered this in a question at her Corporate Services Panel, there was indeed a focus group, including members of the Senior Citizens Association, that directly reflected what J.T. did with those bills, including giving a big total and an explanation. J.T. listened to their customers with a focus group but, of course, there still need to be improvements made. Just to say J.T. did this without consulting would not be fair.

3.17.8 Deputy G.C.L. Baudains:

The Minister made several comments. He said he was proud of what J.T. is doing. I would suggest that a lot of Islanders would not agree with that. He said he gets better information on his phone bill. I can only presume he must be using an alternative supply to Jersey Telecom because I have not seen any change in my phone bill. Worryingly, he said there was a billing issue. Will the Minister admit that the billing issue is ongoing; and my original question was will it ever be resolved and if so, when?

Senator P.F.C. Ozouf:

I have been very clear. The billing system was about a fundamental change in the financial architecture, root and branch, of J.T. and there were data transportation issues that you only know despite however many dress rehearsals. There were issues and they needed to be fixed and J.T. probably needed to fix them more quickly than I would have wanted. But these issues are further improving, they are holding further dialogue with customers, they are constantly listening to what customers want in terms of more information and better formatting and this is a never-ending endeavour. Good is never an end point. It is constantly improving. I would say there were issues, they have tackled them and they have been tackled well by the board. If there are further improvements they are going to be made.

Deputy G.C.L. Baudains:

I asked would the Minister admit that the situation is ongoing and will it ever be resolved and if so, when? He failed to answer.

Senator P.F.C. Ozouf:

The Deputy wanted me to admit his pejorative. I have acknowledged there were issues about the billing and the whole financial transformation. It could have been better but everything is fine with the benefit of hindsight. Simply to criticise entities and States departments for trying to do the right thing and change sets out a culture where we are simply going to mean organisations do not do anything at all. I do not criticise for change, I compliment it and encourage constant improvement. That is the way that I would respond to States departments doing change and States-owned entities rather than simply admitting the fact that they have done something and whipping them in public.