
Introductory points

Broadly, Freesat is strongly supportive of the goals and aims of this Ofcom consultation. However, it is concerned that Ofcom has assumed that all consumers who are looking to switch service provider are looking to switch between two pay services. As far as Freesat is aware, this assumption is correct for landline and broadband service providers. However, this is not the case for TV services, where consumers with pay TV packages have the choice to switch to a free-to-air (“FTA”) equivalent and vice versa.

By not considering situations where consumers switch from Pay-TV to a FTA TV service, this consultation has not considered the impact of the proposal on FTA TV providers. Although a period of double payment is not applicable for customers switching from Pay-TV to FTA, the other major considerations (consumer difficulties in switching and/or concern over the process of switching) which appear to be key motivations in the implementation of a switching mechanism are equally relevant when consumers are switching from a Pay-TV service to FTA TV service as they are when consumers are switching between Pay-TV services. Ofcom’s research within the consultation paper states that 32% of consumers who choose not to switch count “not knowing what to do to switch” as a factor in their decision, indicating that double payment is not always the sole factor.

By introducing a new mechanism making it easier for consumers to switch between Pay-TV service providers without a similar mechanism for moving to/between FTA TV services, Ofcom may discourage consumers from switching from their existing provider to a FTA TV provider. Consumers would have to undertake the administration of this switch themselves which, if the GPL approach was taken, could put a greater burden of effort on them compared to switching to an alternative Pay-TV service.

Q2 Do you agree that consumers would benefit from clearer switching processes and information about switching?

Freesat believes that given the clear potential for consumers to misunderstand how to move between two TV service providers’ offers, a clear switching proposition will be beneficial. In particular, Freesat believes that this mechanism will become increasingly important if consumers attempt to switch all triple play services or only individual services e.g. from taking all three services from one provider to switching their TV service to another TV provider as, there may be some concern regarding their contract for the other two services.

Freesat believes that the benefits of clearer switching processes and more information to consumers can only be properly realised if all options, including FTA TV services, are included. Otherwise, the proposal has the potential to limit consumer information and choice, which could in turn distort the market.

Q3 Do you have any other comments on the matters raised in Section 3?

Irrespective of the mechanism adopted, Freesat believes that if itself and other FTA TV providers were not included in some manner then this could negatively impact both its service and other FTA services. By lacking a switching service similar to their Pay-TV services they may no longer be considered to be analogous to Pay-TV services on their own terms.

Q7 Do you agree that the proposals should apply to all cross-platform services, whether provided in a bundle or on a standalone basis?

For this proposal to provide the greatest benefit to consumers it should be applied to all cross-platform services and comparable stand-alone services. If it is limited to switching bundled services than consumers' choices are being limited unnecessarily. Additionally, to ensure the process is as simple as possible for consumers, the mechanism for switching between services should be as similar as possible whether that consumer is switching all three services (telephony, broadband, and TV) or just one or two.

Freesat's consumer research indicates that, amongst TV customers who are considering switching TV service provider within the next 12 months, 19% are considering switching specifically in order to access a subscription free service, and 14% are considering switching specifically in order to move to a bundled service (Freesat Omnibus survey, conducted by YouGov, October 2016). Ofcom has itself demonstrated previously that while there is some growth in quad play service take-up, triple play services seem to have reached a plateau of take-up in the UK. Freesat believes that increasing the flexibility of the market, and the ability of consumers to take stand-alone services where preferable, is important.

Q13 Do you agree with our preference for Option 2 (GPL)?

Whilst Freesat is in principle supportive of Ofcom's stated preference for Option 2 (GPL), it has a number of reservations regarding its implementation and the responsibilities that Freesat would have in implementing and paying for the automated system. Freesat does not believe it can wholly support this system without more fully understanding the how it will participate within this system and the responsibilities that will have and if they will be different from those of a Pay-TV service. Additionally Freesat believes that as FTA providers' requirements of the automated system are likely to be as high as its Pay-TV peers and therefore is wary of commitment to this project.

Given the differences in business model between Freesat and its Pay-TV providers the means by which FTA services implement a switch in service and the responsibilities incumbent on these providers may be somewhat different from Pay-TV services. Potentially FTA providers offer something more akin to a concierge service, acting as a guide and where necessary providing information or arranging for installation. Where possible this should represent as similar service as that provided by Pay-TV services.