



**VERASTAR LIMITED (FORMERLY UNIVERSAL UTILITIES LIMITED) RESPONSE**

**Making switching easier and more reliable for consumers: proposals to reform landline, broadband and pay TV switching between different platforms**

**21<sup>st</sup> October 2016**

# Response

## General comments

As we do not provide Pay TV services, our response is based on our experience as a provider of landline and broadband services.

We believe that consumers would benefit from a regulated process for switching between platforms, bringing this in line with other regulated processes in the telecommunications industry. However, we do not feel that a singular process can be prescribed for switching landline and broadband and pay TV as the transfer of these services is inherently different.

It is noted that Ofcom's favoured option is the Gaining Provider Led (GPL) process but that the GPL process outlined for consumers switching cross platform includes extra steps which are not present in current GPL processes. We feel that the enhancement of the GPL process could be unworkable for providers and does not provide significant additional protections or benefits for consumers compared with the current process.

Having considered the options specifically in relation to consumers switching across platforms, we note that some proposals have implications for all consumers switching providers, not only those switching across platforms. This is due to some of the enhancements including actions which would occur pre-cancellation, when the old provider would be made aware of the new provider at the point of cancellation. For example, regularly providing contract and termination fee information with consumers' bills. As such, we would query how this would be written into the General Conditions to ensure compliance.

## Consultation responses

**Q1. Do you agree that current cross platform switching arrangements lead to consumer issues with loss of service and double paying when switching, and issues with contacting losing provider/cancelling a previous service?**

Yes, we consider that as there is no regulated switching process for switching between platforms, consumer issues can arise.

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

Yes.

**Q3. Do you have any other comments on the matters raised in section 3?**

We believe that the switching process for landline and broadband and pay TV give rise to different issues and it is not possible to define a singular switching solution to suit all three products.

**Q4. We would welcome views on the proposal for an EC&R process (Option 1), in particular:**

**Whether it is effective in reducing the consumer difficulties and deterrents identified through our analysis;**

Under the enhanced cease and re-provide process the consumer only has 2 working days to contact the old provider to cancel their service. We do not believe that this is a sufficient period for the new provider to arrange for the new landline and broadband services to be installed. If an engineer is unavailable to install the service within the 2 working day window, this will lead to a loss of service when the old provider cancels their service.

Furthermore, under the enhanced cease and re-provide process, there is no requirement for the new provider to take into consideration any notice period the consumer may have to serve to the old provider. As it will be in the new provider's interest to have the service starting as soon as possible, this will not reduce the issue of double paying.

In the alternative, should consumers choose to take control of their own switch so that they can take into consideration any notice period, this will not address the issues faced when attempting to coordinate the switch and contact the old provider to cancel the service.

**Whether you agree co-ordination by the new provider should be opt-in for the consumer; and**

Yes we believe that co-ordination by the new provider should be opt-in. This allows consumers to retain control of their switch should they wish to.

**If the information on implications of switching provided at the cancellation stage is likely to be as effective as receiving it in durable form during the transfer period?**

We believe that the information provided at the cancellation stage regarding the implications of the transfer is likely to be effective if provided to the consumer directly. However, this information should still be sent in a durable format as this may be required for the consumer to consider their options, particularly if a third party is involved in the switch. If a consumer is cancelling all services, there may be multiple implications associated with each switch that would need to be considered. This amount of information could be difficult to consider straight away over the phone or via an IVR. If this was communicated via webchat there may be the option to copy the information but this may not always be thought of by the consumer before the webchat is closed.

**Q5. We would welcome views on the proposal for the GPL process (Option 2), in particular:**

**Whether it is effective in reducing the consumer difficulties and deterrents identified through our analysis; and**

We believe that a process matching the current Gaining Provider Led process for telecoms and broadband on the Openreach platform would effectively reduce consumer difficulties when switching between platforms. However, the GPL proposed for cross-platform switching dictates additional steps that we do not believe enhance the protections given to consumers and, without confirmation of the communications method to be used, appear unworkable and excessive for providers.

**If the ten working day transfer period is a sufficient length of time for a consumer to receive, understand, and act upon implications of switching information that is sent to them by the old provider?**

We feel that 10 working days is sufficient as a transfer period as this aligns with the current landline and broadband switching process for providers on the Openreach platform.

However, we are concerned about the risk of slamming under the Gaining Provider Led process. There is no requirement for the new provider to provide the old provider with confirmation of the

consumer's consent prior to the old provider providing account information. We feel that this could lead to speculative enquiries and transfer orders.

Whilst the consumer would have the opportunity to respond to the communication from the Losing Provider advising them of the transfer, for those consumers who may not be available to confirm that they did not request the transfer and confirm that they wish for it to be cancelled, the transfer may proceed.

We consider it is important that a mechanism is in place to ensure that consumers have consented to the sharing of their information when the new provider is contacting the old provider about the services provided.

**Q6. On both process options, we would welcome views on whether old providers are provided with sufficient time during the respective transfer periods to:**

**Stop existing services and administer the end of contracts; and**

Under the enhanced cease and re-provide a transfer period of 2 and 10 business days has been suggested. We do not believe that this would be a sufficient period for consumers to be informed of the implications of the switch and make a considered decision to continue with the switch. It may also not be possible for the installation of new services to be arranged in time for the old services being stopped, with consumers being required to cancel their service with the old provider in 2 working days. In particular we note that the Quality of Service Standards published by Ofcom state a provision of service should be arranged in 12 working days.

**If not, can you provide detail of what actions/steps are necessary to undertake such activities, and how long these would take?**

We feel that the enhanced cease and re-provide process should take a minimum of 10 working days to bring this in line with current switching processes for telecoms and broadband. This would allow consumers the opportunity to review their contractual information prior to the services commencing and consider any implications associated with the switch.

This is particularly relevant for business consumers who, under the General Conditions, are only able to cancel in the transfer period without a termination fee becoming payable, subject to any additional period offered by their provider at their discretion.

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

We believe that a regulated process should be introduced for the switching of all cross-platform services. However, we consider that the process for transferring landline and broadband services is inherently different to that for switching between pay TV services. As such, we believe that a different approach is required for these services.

**Q8. For both process options, we welcome any views on the estimated 18-month implementation period.**

In the absence of confirmation of the process for each approach, we do not have any comments on an 18 month implementation period.

**Q9. Do you have any other comments on the matter raised in Section 4?**

We feel that whilst the issues consumers face when switching can be addressed via regulating the switching process, neither option provides a viable solution to prevent consumers from double paying for their services as it does not seek to address notice periods that may have to be served.

It may also not be possible for some providers to complete a simultaneous landline and broadband provide. This means that the old providers' landline service will need to remain active whilst the new provider provisions the broadband service, or that consumers will experience a loss of service.

**Q10. Do you agree with the assessment of the consumer benefits of the proposals?**

We agree with the assessment of benefits to introducing a regulated switching process for cross-platform switching. We also agree with the consideration that the GPL process is likely to deliver more benefits as more switchers are likely to use this process.

**Q11. Do you agree with the assessment of the likely costs of the proposals as set out in the Cartesian Report? If not, please state how and provide information and evidence relating to the costs.**

As detailed above at question 8, in the absence of confirmation of the process for each approach we do not have any comments on the costs.

**Q12. Do you think that a manual communication channel for small providers would be more appropriate compared to an automated communication channel? What costs would be involved in setting up a 'manual' communication system?**

We agree that the implementation of an automated communication system may come at a disproportionate cost for smaller providers.

However, it should be considered that if smaller providers choose a manual communication channel, larger providers who have opted to use an automated system would have to facilitate a mechanism for receiving such manual communication. Vice versa, smaller providers will still need to receive any automated communication from larger providers. This could act as a disincentive and a barrier to entry for new, smaller providers.

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

Yes. However, we feel that this should be matched more closely with the existing GPL process for switching on the Openreach platform. This is a process that is already regulated and established in the industry which all providers will be aware of.

Additional stages have been included for cross-platform switching requiring the old provider to regularly provide specific information on the monthly bills and have increased interaction with the new provider. We feel that the increased interaction could give rise to data protection issues and difficulties for smaller providers facilitating the contact required.

Having different GPL processes for inter-platform switching and cross-platform switching could cause problems for providers as it will not be possible at the cancellation stage to know whether a consumer is switching across platforms or not.

**Q14. Could there be synergies across costs between implementing a GPL proposal for triple play services and mobile phone services?**

We do not believe there would be any significant synergies between triple play and mobile switching.

**Q15. Do you consider that Option 2 (GPL) could enable consumers to go through the switching process through TPIs/PCWs? Would this be beneficial to consumers?**

We would again raise our concerns with regards to the appropriate consent being provided by consumers and the prevention of speculative enquiries/transfers.

**Q16. Do you have any other comments on the matters raised in Section 5?**