

Your response

Thank you for the opportunity to comment on the OFCOM annual Plan for 2019/20.

As might be expected given the comments in the report on the future of telephone numbers, the plan focusses on digital services. Voice products however still form a significant part of the Telecomms market.

We would like to comment on two areas, “Protect Consumer from Harm” and “Promote competition and ensure that markets work effectively for consumers Project”.

While a lot of work has been done to regulate termination rates, the retail rates charged to consumers have hardly changed with many Phone Service Providers charging a premium, often a multiple of the service charge for some NGCS calls. This is harming consumers, bills are higher than the advertised costs, causing bill shock. We are aware from dealings with consumers that awareness of access charges in particular is low, the charges aren’t given the prominence that is needed for consumers to be aware of the charges and how much they are. OFOM’s expectation was that competition and reducing termination rates would bring about a reduction in the rates charged to consumers but most Phone Service Providers appear not to be cooperating and the retail rates remain high, competition appears not to have had any effect. In fact, when access charges were introduced, competition appeared to have the opposite effect with some phone service providers increasing their charges to match those of their competitors. There is no mention of this in “Protect Consumer from Harm” but we do feel it is worthy of attention as the NGCS market has some years to run even on VOIP.

Charging does receive a mention in “Promote competition and ensure that markets work effectively for consumers Project” but this is restricted to 07 numbers, presumably PNS. As above, termination rates are under control and we would like an overall review of charges to consumers, including access charges, for 07 and NGCS calls.

We would also like to see interconnect charges reviewed. Under NGCS unbundling, the responsibility for transit and conveyance charges moved from originators to terminators and the charges were deregulated. OFCOM’s stated expectation was that these would be no significant increase in the charges. In fact, the reverse happened and charges were subject to massive increases and a new charging structure was imposed. Changes to charging for CSI circuits have also been imposed, resulting in higher prices here also. The impact of these two changes has been to make lower rated NGCS services uneconomic and so increasing the charges consumers have to pay for these services.

Markets are also being harmed by the conduct of some large CPs. There is evidence of abuse of the C7 interconnect agreement and some CP’s charge to mobile agreements to the detriment of service providers, this is deterring innovation and entry to the market, to the extent that even overseas companies are aware of it and unwilling to enter the UK market. Some UK Service Providers have left the market due to this abuse.

As there is potential for these issues to continue when digital services are fully implemented, we would like some attention given to them to ensure that implementation takes place smoothly and quickly and quality new products that take advantage of the new technology can be introduced.

The increased take up of digital services will encourage small start ups, who will be particularly sensitive to disruption to cash flow, increasing the need for more supervision of the operation of the marketplace