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Which? Response to Ofcom consultation on fair treatment and easier switching for broadband and mobile customers

Which? welcomes the opportunity to respond to Ofcom's proposed package of measures to protect broadband, mobile, pay TV and landline customers to help ensure that they get a fair deal. We support the measures outlined in the consultation document, particularly in relation to broadband switching and locked mobile handsets. These proposals are overarched by Ofcom's fairness work - Which? believes that all communications providers must take fairness into account when implementing these proposals.

Switching process

It is essential that the switching process works well for consumers. The process must be easy, clear and transparent. This will ensure that consumers are able to take full advantage of the choice available in the telecoms market today. In particular, we think that having the right switching process in place will be a key aspect of ensuring the takeup of gigabit capable connections as they are rolled out. It will also help ensure that consumers are able to take advantage of the benefits that these connections offer.

We welcome the requirements of the EECC around the switching process and Ofcom's proposed approach to implementation. In particular, we welcome the plans to implement a gaining provider led process across the telecoms market. While it is disappointing that agreement has not yet been reached on the specifics of this process, we look forward to contributing to Ofcom's upcoming consultation on the issue and seeing the details of the two options on the table.

In addition, we welcome the proposals to ensure that customers are adequately informed before and during the switching process. It is essential that consumers have access to accurate and transparent information. In particular, this may help overcome some of the motivation barriers we identified that consumers face when engaging with the broadband market.¹ For example, the information on total charges may help address consumer concerns that engagement could lead to unexpected costs.

¹ <https://www.which.co.uk/policy/utilities/4986/broadband-engagement>

Which? previously welcomed the introduction of automatic compensation for broadband customers, although we were disappointed about the voluntary nature of the scheme. We are pleased that the measures set out in this consultation will help ensure that all broadband and mobile customers get compensation in a timely way if something goes wrong with their switch.

However, Which? would still like to see more providers sign up to the automatic compensation scheme that is already in place for broadband, as this provides additional protections for consumers. Which? also believes that the extension of the prohibition of notice period charges to broadband is a positive step. We believe that these additional measures will help support consumer trust in this market which we have found to be an underlying issue affecting consumer engagement.

Sale of 'locked' devices

Which? has previously campaigned on the issue of mobile devices being locked. In particular, we are concerned about the cost and time it takes to unlock a device, which could act as an additional barrier to switching. As such, we welcome Ofcom's proposals to ban the sale of 'locked' devices (Option 1).

We believe that by ensuring all devices are unlocked at the point of sale, it will remove a barrier to consumer switching in this market. Currently, the range of policies and steps in place to unlock devices could be confusing for consumers, given the lack of transparency, consistency and variation in practices. We also believe by choosing Option 1, it will remove any consumer confusion about whether they are with a provider that does lock devices and the steps that they therefore need to take if they want to change provider.

Given that other providers no longer sell locked devices, we find it difficult to understand why this practice continues. However, critically, we consider that as part of treating their customers fairly, providers should not sell their customers locked devices.

Better contract information and stronger rights to exit

We welcome Ofcom's proposals to help consumers make an informed choice when purchasing their contract for telecoms services. The contract summary document alongside clearer information about the core subscription price will help consumers make informed choices and may help address consumer concerns around fears of hidden costs.²

As highlighted in our response to Ofcom's consultation on mobile handset pricing last year, we support steps being taken to make clear to consumers the price of individual aspects of a bundle. This will help consumers make informed decisions when engaging in the market. It is important that there is a consistent approach across industry to make comparisons easier for consumers.

Alongside this, we welcome Ofcom's proposals around right to exit without penalty and providing customers with one month notice for any changes to their contract. These

² <https://www.which.co.uk/policy/utilities/4986/broadband-engagement>

proposals will ensure that consumers are clear about any changes to their contract through the provision of transparent information. It will also ensure that consumers receive clear information about when they are able to leave their contract without incurring additional costs such as early termination charges.

Non-coterminous linked contracts

We are pleased to see Ofcom giving consideration to the steps it can take to address non-coterminous linked contracts. In particular, we agree that the complexity of decision making and potential for increased costs related to non-coterminous linked contracts may deter switching. In our own research, we found that the complexity of the broadband market is a key barrier which prevents consumers from engaging. As such, we think it is important that steps are taken to adequately protect consumer interests in relation to non-coterminous linked contracts.

We welcome Ofcom's proposals, which will make it clearer to customers at the point of sale and when adding to their bundle that they are entering a bundle with different commitment periods, and the interdependencies between them. However, this is unlikely to go far enough, and consumers could still face detriment. It is essential that Ofcom continues to monitor these contracts, as assess whether the guidance it has proposed goes far enough to address concerns in relation to consumer harm and switching. If not, it must take further action, particularly in light of the fairness commitments.

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