

Digital comparison tools for telephone, broadband and pay-tv

BT Group's response to Ofcom's consultation on proposed
changes to the voluntary accreditation scheme

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Non-confidential version

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1. Executive Summary

- 1.1. Ofcom are proposing changes to their voluntary accreditation scheme for digital comparison tools for telephone, broadband and pay-tv to ensure comparison tools continue to work for customers in digital markets. The new version of the scheme will be aligned with the European Electronic Communications Code (EECC) that requires accredited comparison tools to provide trustworthy, impartial and transparent information. The scheme also requires these tools to be operationally independent from service providers in order that no provider is given unfairly favourable treatment in the results.
- 1.2. BT, EE and Plusnet (referred to as BT throughout this response) welcomes the opportunity to comment on the changes that Ofcom are proposing to make to its accreditation scheme. Overall, we are supportive of these proposed changes. However, we have a few concerns which we describe more fully below.
- 1.3. It is important that the comparisons offered by accredited providers are accessible, accurate, transparent and comprehensive. In summary we agree that Ofcom are taking the right steps to protect consumers' interests when it comes to making a well-informed decision about the best provider for their needs. By removing the requirement for accredited comparison tools to have price as the default ranking method, consumers should benefit from having various methods of ranking that suit their particular priorities.
- 1.4. The inclusion of bundles in accredited comparison tools is a very sensible approach as increasingly, consumers are likely to have multiple services, including pay-tv, as part of their package on the same bill for their convenience. However, we believe that Ofcom should go further and mandate the inclusion of alternative forms of ranking based on a range of quality of service metrics, because consumers should always be able to obtain a comprehensive comparison of the services displayed rather than a result influenced purely by price. Rankings based on metrics such as data usage and limitations, signal coverage and customer complaint records, as well as fixed broadband speeds, should always be available.
- 1.5. BT also believes it is essential that the results displayed by accredited comparison tools should be representing their chosen market as fully as possible. Therefore, Ofcom should maintain their existing accreditation scheme criteria regarding 90% market coverage, to ensure customers are not misled by a set of offers and tariffs that are not representative of the complete market.
- 1.6. This is related to another change proposed by Ofcom to no longer require an external technical audit. An independent audit ensures that the comparison tools are complying with the proposed scheme. It also instils confidence among service providers and consumers that the results displayed by these accredited tools are not manipulated through imbalanced metric algorithms that may not represent a true reflection of customers' needs.

2. Services covered & metrics

Comparison tools must cover a range of communications services and allow comparison by price and quality metrics.

- 2.1. BT's customer insight shows that some of the key reasons for switching to BT services along with value for money are brand reputation, faster speeds, network coverage and reliability, value added services and recommendations. A recent survey from PricewaterhouseCoopers, found that customers are more and more willing to and interested in buying a range of communications and media services from one single provider. The majority of respondents (72%) who bought bundled services said that the service has met or exceeded their expectations¹. This is further strengthened by BT's customer insights as some of the key factors that influenced customers' decision making process on choosing bundling were the existing relationship with the brand, value added services and discounts.
- 2.2. BT welcomes and supports Ofcom's proposal to stop requiring price to be the default metric on which services are compared. We also believe that mandating the inclusion of rankings based on quality of service metrics (such as coverage, capped or unlimited data usage and customer complaint records), will improve customer outcomes. This is because customers who are interested will be able to include in their decision making a view on non-price measures.
- 2.3. BT welcomes Ofcom's proposal to maintain the scope of their existing scheme such that a comparison tool which allows users to compare relevant communications services including where these are bundled, may apply for accreditation. Furthermore, we encourage the integration of recommendations beyond a single service within comparison tools as this allows a customer to take a view on their whole suite of services. In taking this broader view, customers can benefit from dependent product discounts (e.g. discounted SIM for broadband customers). Conversely, customers can avoid unbundling such arrangements by making choices in full knowledge of impact on the price of other dependent products (e.g. understanding that by switching for Broadband and losing double mobile data).
- 2.4. This is consistent with the existing BEIS view on Smart Data (Open Communications) which proposes to provide customers with data on services that are bundled, including TV packages and contents, to improve customers' ability to readily shop around.
- 2.5. Similarly, to enable innovation, we believe it will be vital for Open Communications to include the provision of a wide range of product and performance data, such as tariffs and geographical availability of services, in addition to consumer-specific usage data. By combining consumer data with appropriate product and quality of service data, and by providing a seamless and interoperable framework for data sharing, innovators will be empowered to develop new ways for consumers to benefit from their own data.
- 2.6. Taking both Open Communications and Ofcom's proposals on the services covered by accredited comparison tools into consideration, it is vital that a variety

¹ Quoted from the PwC survey: Who is looking after your customer? - <https://www.pwc.co.uk/assets/pdf/who-is-looking-after-your-customer.pdf>

of quality of service metrics, such as coverage, service reliability, the extent of inclusive data, security, contract flexibility and a service that suits the consumer's usage should be required to be included by Ofcom's accreditation scheme at the launch of Open Communications, rather than incrementally introducing such requirements at a later date.

- 2.7. We agree that Ofcom should continue to require comparison tools to provide links to Ofcom's work on broadband speeds, to display "average" broadband speeds in their results and to explain that actual broadband speeds will vary.

3. Operationally independent

Comparison tools must be operationally independent and make their ownership clear.

- 3.1. BT welcomes and agrees with Ofcom's proposals here, as it is very important for consumers to be assured that the information they seek through accredited comparison tools is trustworthy and impartial.

4. Objective and clear

Comparisons must be objective and clear

- 4.1. We agree with the proposal to require accredited tools to use objective criteria when displaying rankings. As mentioned above, these criteria should always include quality of service metrics as well as price. We also agree that Ofcom should require comparison tools to clearly present the methodology for their rankings, algorithms and calculations to enable full understanding by consumers of how results are produced.

5. Plain and unambiguous language

Comparison tools must use plain and unambiguous language.

- 5.1. We support this proposal. If the language used by comparison tools is unclear, the whole purpose of their existence and benefit for consumers is undermined.

6. Accurate and up to date information

Prices and information shown should be accurate and up to date.

- 6.1. BT welcomes the proposal to continue to require updates every two weeks as a minimum, as clearly customers can be misled if the latest offers and discounts are not regularly updated by comparison tools. We want customers to have a transparent view of the results they gather from the comparison websites.

- 6.2. Various aspects of tariffs and packages can play an important role in the decision-making process. Therefore, it is key that the results displayed are meaningful and accurate, and that when comparing prices, they include current special offers/discounts, any up-front costs, any data usage constraints, and minimum contract periods.

7. Range of offers

Comparisons should reflect a broad range of offers in the market.

- 7.1. Although BT agrees with the majority of Ofcom's proposals, we do not think it is sensible to no longer require accredited comparison tools to compare services across a fixed proportion of the market. Leaving accreditation scheme members to demonstrate how they meet the requirement to cover a "significant" proportion of the market could result in customers thinking that they are being offered all options available to them when in fact the comparison tool does not have full coverage of the market. Therefore, we believe that Ofcom should maintain the current auditable requirement to have 90% coverage of the chosen market, to result in a fair and balanced representation.

8. Complaints handling process

Comparison tools must have a clear, fair and timely process for handling complaints

- 8.1. BT agrees with the proposal to maintain the requirement for a clearly explained, fair and timely process for handling complaints. It should be clear and easily accessible for consumers to report any incorrect information or log any complaints. Providing consumers with an easily accessible complaints process will aid price comparison websites to track any reported inaccuracies and manage their data collection effectively.
- 8.2. We believe Ofcom should also maintain the requirement for comparison tools to have their complaints handling process audited (see section 11 below).

9. Comparing offers available

Comparison tools must allow users the ability to compare offers available to residential customers

- 9.1. Whilst it is important for residential customers to be able to compare between a comprehensive range of different providers in relation to prices, tariffs and quality of service, we agree that it would not be necessary or beneficial for residential users to compare against business deals, and that it may in fact cause confusion if they were able to do so.

10. Accessible Services

Comparison tools must ensure that their services are accessible

- 10.1. We agree with Ofcom's proposal to require that the services provided by the comparison tools are readily and easily accessible for all consumers whilst treating them fairly. We want all consumers to be able to take advantage of the services provided by the comparison tools so as to make the best possible informed choices for their needs.

11. Operation of the Scheme

How Ofcom are proposing to implement the Accreditation

- 11.1. We do not agree with Ofcom's proposal to no longer require an external technical audit, but to rely on self-declaration and subsequent "spot checks" by Ofcom, in order to reduce the administrative burden on comparison tools and to encourage membership of the scheme. Removing the audit requirement may lead comparison tools to be inconsistent with their approach and potentially undermine the value of Ofcom's accreditation scheme altogether.
- 11.2. For example, comparison tools could be less than transparent about the algorithms used to determine weighting of service quality performance metrics when displaying their search results. Without a thorough audit, comparison tools may be more inclined to reduce the weighting of metrics that do not result in presenting rankings that give the optimum commercial benefit to the comparison tools, especially if the inclusion of such additional quality metrics is not mandated.
- 11.3. If Ofcom were to reinstate the requirement for an external audit, it follows that we consider the costs of audits should continue to be borne by scheme members, in accordance with their turnover, as with today's scheme.

Use of the Ofcom Accreditation logo

- 11.4. We agree with Ofcom's proposal to continue to require links to Ofcom's consumer information webpages which include an explanation of the accreditation scheme and a list of accredited organisations (although potentially with this list moved to a separate page).
- 11.5. Having an external link to Ofcom's website is more likely to instil trust in consumers, enabling them to gain an unbiased understanding of the accreditation process and its requirements. We believe it is also in consumers' interests to readily see a list of all the accredited comparison tools, encouraging them to gather results from more than one tool, thus encouraging competition between comparison tools to deliver the most up-to-date and comprehensive service.