



[REDACTED]
Ofcom
Riverside House
2a Southwark Bridge Road
London SE1 9HA

30 September 2021

By email only

Dear [REDACTED],

Ofcom review measures to protect people in debt or at risk of disconnection

We are grateful for the opportunity to provide comments on Ofcom's proposed measures to protect people in debt or at risk of disconnection.

Proposed changes to the General Conditions on publication of measures providers take to effect payment

We are supportive of Ofcom's aim to ensure customers can access sufficient information on providers' approach to debt and disconnection. We already make lots of information on debt and disconnection available to customers on our website.¹

However, Ofcom should not be too prescriptive or granular with the level of detail providers are required to publish and should assess the impact of additional information on consumer behaviour. We try hard to get customers to engage with us, so that we can provide them with the support they need and develop a solution that reflects their circumstances. We want customers to speak to us sooner rather than later to prevent them building up arrears. This is why our website encourages customers to contact us, rather than just providing detailed timelines for disconnection and referral to a debt collection agency. Equally, it is important that we are not required to publish detailed information on the types of payment plans available on our website. We need to ensure that only customers in genuine difficulty reach out for help – and for those customers we want to provide them with the right solution for their circumstances.

We do not currently provide information on debt and disconnection on our apps. If Ofcom presses ahead with this requirement, we will need reasonable timescales to develop and

¹ <https://ec.co.uk/help/help-new/billing-usage-and-top-up/paying-my-bill/what-should-i-do-if-i-cant-pay-my-bill>; <https://www.bt.com/bt-plc/assets/documents/about-bt/policy-and-regulation/our-governance-and-strategy/codes-of-practice/billing-and-debt-collection/billing-and-debt-collection.pdf>

Francesca Safi
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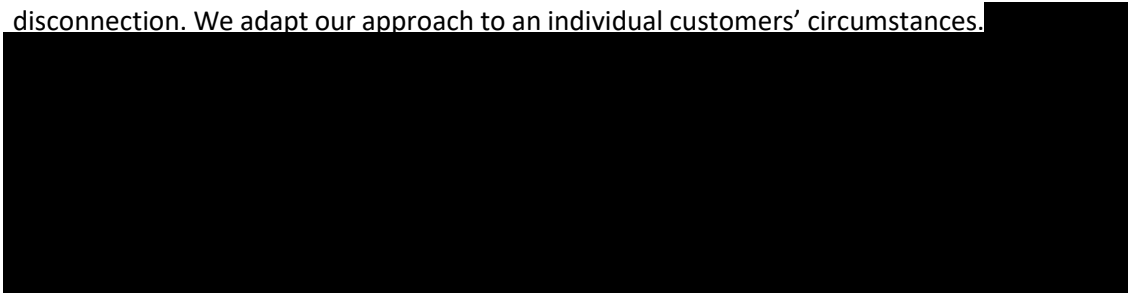
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implement a solution. We are interested to understand the detail of Ofcom's plans for this requirement to better comment on timescales and feasibility. Ofcom should also be mindful that we already have limited capacity on our roadmap and many regulatory initiatives in the pipeline when setting any implementation timescales, for example the ongoing implementation of the European Electronic Communications Code.

Proposed changes to the Vulnerable customer guidance

We already do the vast majority of things that Ofcom is proposing.

We believe the guidance should retain flexibility for providers to engage with customers who are struggling to pay. There should not be a one-size-fits-all approach to debt and disconnection. We adapt our approach to an individual customers' circumstances.



The guidance should allow providers to have the flexibility to determine when disconnection is necessary. It is important that disconnection remains a tool providers can use to incentivise payment - disconnection often gives customers a reason to engage with us. Where this option has been removed, such as in the Water Industry, there are high levels of bad consumer debt.² Unlike in Water, if a customer is disconnected from one communications provider, they can always purchase services from another provider. There are also some circumstances when disconnecting a customer before 3 months is necessary. Usually, this is where we believe the customer has a high risk of non-payment. In this case, we want to restrict the debt exposure the customer has, as we are concerned that they cannot afford to pay. If the customer reaches out to us early, we can help find a workable solution.

We look forward to Ofcom's next steps on this issue.

Yours Sincerely

Francesca Safi

Regulatory Affairs Manager
BT Group Regulatory Affairs

² In 2019 Ofwat estimated that bad debt in the industry added approximately £21 annually to each customer's bill.