



Improving broadband information for customers

Proposal for new guidance to improve customer information

May 2023

While Sky agrees that there is value in consistent use of terminology across industry, we should not be forced into describing our services based on the underlying technology when Ofcom's own research shows this information is not material to the decision being taken by most customers. In any event, 12 weeks is an unrealistic timeframe to implement the proposals put forward in Ofcom's Consultation as the changes would require significant development work.

Ofcom's proposals for new guidance to improve customer information set out in the Consultation published 8 March 2023¹ (the "Consultation") to mandate descriptions of the underlying technology on websites and in the Contract Information assume that this technical information is of such importance to customers that Ofcom must mandate that it is provided, rather than recognising that providers are best placed to assess how to communicate effectively with their customers.

Communications providers should be free to decide whether they inform their customers about the underlying technology used to deliver a broadband product.

Ofcom's own evidence shows that information about the underlying technology is not of significant importance to customers. In Ofcom's survey, 80% of respondents considered it would not be "very useful" to receive a one- or two-word description of the underlying technology. Of the ten types of information which respondents were asked to assess, the description of the underlying technology were ranked ninth and tenth out of ten for usefulness². This is not compelling evidence of the importance to customers of this information.

Our customers are interested in the benefits and functionality of Sky's broadband products rather than the underlying technology. Sky's broadband product names do not refer to a specific technology but instead reference the main product features and benefits, such as speed.

Ofcom has not fully considered the impact of providing additional mandatory information on customers who are already overloaded with information. Ofcom wrongly concludes that information about the underlying technology will clarify rather than confuse. Sky believes that increasing the volume of mandatory information with descriptions of underlying technology is more likely to confuse customers or result in disengagement with the information provided to them.

Ofcom has significantly under-estimated the time and resources which providers would need to implement the proposals. Sky considers at least nine months would be needed and doing so would affect its existing plans resulting in some initiatives which would have benefitted customers being deprioritised to make resource available for regulatory initiatives such as One Touch Switching and the Digital Markets, Competition and Consumer Bill which are expected to be implemented within the same timeframe.

¹ https://www.ofcom.org.uk/__data/assets/pdf_file/0037/254989/broadband-info-condoc.pdf

² BDRC (agency) report November 2022 <https://www.ofcom.org.uk/broadband-info-terminology-report.pdf> - see section 2 on usefulness of information

Question 1:

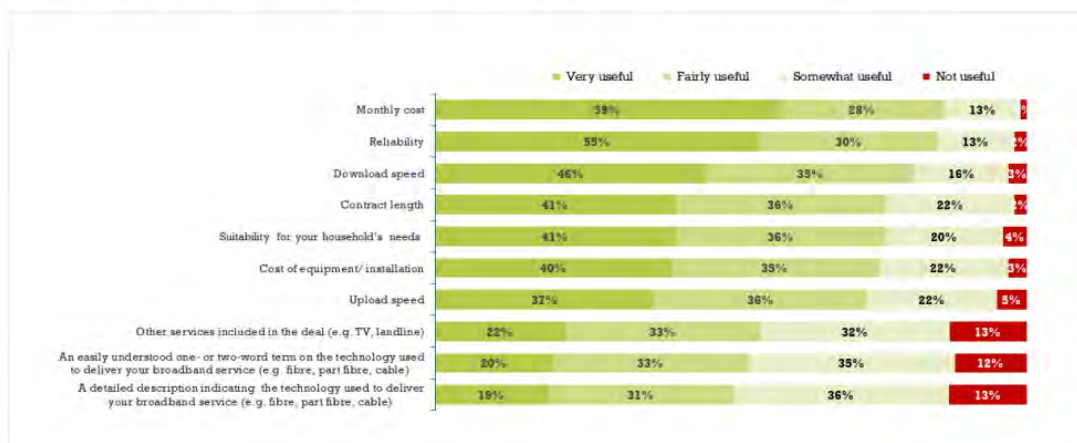
Do you agree with our proposals to issue guidance under GC C2.3, GC C1.3 and GC C1.5 to clarify:

- (1) that the description of broadband services should be consistent and include a one- or two-word description of the underlying technology; and**

Sky maintains that Ofcom’s proposal for new guidance to improve customer information set out in the Consultation does not take into consideration that individual communication providers should have the autonomy to decide what information is material to their customers in making a decision and how best to communicate with them. The proposed guidance under General Conditions C2.3, C1.3 and C1.5 do not provide a significant benefit to customers but instead will lead to information-overload and confusion for customers.

Sky believes that providers should not be *required* to refer to the underlying technology to describe their broadband services. Sky does not refer to the technology in the name of its broadband products because consumers are more interested in the features of the product (e.g., speed, reliability, wi-fi guarantees) than the underlying technology used to deliver it. This was a decision made following extensive work on our broadband naming, including market research and consumer focus groups. If Sky is wrong about this its products would be less attractive and it would be punished in the competitive market. Sky’s approach is evidenced by Ofcom’s research set out in the Consultation which showed 80% of customers would not find it very useful to be given a one- or two-word term to describe the underlying technology used to deliver their broadband³.

Figure 5: table setting out the proportion of respondents who would find different pieces of information very useful, fairly useful, somewhat useful or not useful



Source: Broadband Terminology Research 2022
 QH1: Please use the following scale to say how useful information about each item would be when deciding on a broadband service.
 Base: All respondents (1,150)

³ BDRG (agency) report November 2022 <https://www.ofcom.org.uk/broadband-info-terminology-report.pdf> - see section 2 on usefulness of information

Additionally this view is supported by the ASA's review of "fibre" broadband⁴ and by data garnered from focus groups conducted prior to Sky's 2018 broadband repackaging project; the result of which prompted the removal of the word "fibre" from Sky's broadband product names.

The ASA concluded in its report that⁵:

- *"The term "fibre" is not one of the priorities identified by consumers when choosing a broadband package; it is not a key differentiator.*
- *The word "fibre" is not spontaneously identified within ads – it is not noticed by consumers and does not act as a trigger for taking further action. It is seen as one of many generic buzzwords to describe modern, fast broadband.*
- *Once educated about the meaning of fibre, participants do not believe they would change their previous purchasing decision; they do not think that the word 'fibre' should be changed in part-fibre ads."*

This is broadly consistent with Ofcom's own, more recent, research which shows that the underlying technology used to deliver a broadband service is not of such importance to customers to justify its inclusion in mandatory pre-sale information.

Ultimately, the way a customer will use their broadband service determines why that customer chooses to purchase one broadband product over another. The features and benefits Sky focuses on for each product remain true irrespective of the technology used to deliver the service, how this is delivered to the customer is secondary.

For example, Sky's 'average speeds' for Sky Broadband Superfast (which can be delivered over FTTC or FTTP) and Ultrafast (which can be delivered over G.Fast or FTTP) are based on blended speed data for all types of Superfast services irrespective of the technology used to provide the product. In such instances where the same retail product could be provided via different technologies depending on individual customer circumstances referring to a specific technology is likely to cause confusion instead of helping consumers.

Furthermore, it will not be possible for Sky to include meaningful information about the technology that will be used prior to the customer choosing the product they want.

Sky specifies product features such as speed to differentiate between products rather than the underlying technology. A customer would see their broadband options set out before them as below:

⁴ ASA review of "fibre" broadband - ASA | CAP

⁵ <https://www.asa.org.uk/news/asa-concludes-review-of-fibre-broadband.html>

Choose a speed

Added Superfast 35 36 Mb/s Avg. speed £25 a month	Superfast 59 Mb/s Avg. speed £34.50 a month	Ultrafast 145 Mb/s Avg. speed £30 a month	Ultrafast Plus 500 Mb/s Avg. speed £48 a month	Gigafast 900 Mb/s Avg. speed £53 a month
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Only once a customer has entered their specific address details (i.e., at the availability check page) would the technology available to deliver the chosen service be determined. The customer would not necessarily be aware of the technology used based on the selection they make. Where customers are living in a FTTP enabled area they are presented with the following statement to tell them this technology is available to them:

Prepare to be blown away

Great news - next generation full fibre technology with ultrafast speeds is available at your address

Further, as suitability for a VoIP service is not confirmed until the end of the sales process, ascertained by asking the questions in the image below, this may also change the technology type that will be used. This means any information about the underlying technology which Sky provides to customers before these points may not specify a single type of technology but instead refer to more than one possible technology which adds little, if anything, to aid the customer in making a decision.

Additional details

We need a bit more information to set you up with Sky Broadband

Your property

Please confirm your address.

Your address

This is the address where you would like your Sky Broadband installed, and also your delivery and billing address

Your phone

In line with the approach taken by all UK providers, your new phone service will use your internet connection to make and receive calls. This means a power cut or broadband outage would stop your telephone service working, so we need to check if this product is suitable for you:

① Do you have another way to contact emergency services from this address, such as a mobile phone with good signal?

 Yes No

② Do you have a healthcare or medical alarm that connects to your telephone line?

 Yes No

Sorry, you can't progress with your online order.

We need to speak to you in order to assess your needs and make sure we're offering you the right products. Please speak to one of our friendly advisors on 0333 759 4255 to continue.

If you have a health care or medical alarm, you will need to check with your alarm provider that it will work with your internet connection.

Given the significant risks of overloading customers with information (which we address in more detail below) it is unhelpful to customers to inform them that their product *may* be full-fibre or part-fibre and that will be confirmed at a later point in the purchase journey following availability checks for the individual consumer.

Customers could feel misled having been told their product would be delivered using a technology that turns out not to be appropriate for them. Not only do we not think this is the right approach for customers, but it may lead to complaints being made to the ASA if the possibility of an alternative technology being used depending on the individual line and customer circumstances is not made sufficiently clear.

Question 1:

Do you agree with our proposals to issue guidance under GC C2.3, GC C1.3 and GC C1.5 to clarify:

- (2) that the use of the terms ‘fibre’ and ‘full-fibre’ in the information that is provided to customers should only be used to describe fibre-to-the-premises (FTTP) services.**

Sky agrees that *if* providers choose to use the underlying technology to describe the service, they should do so consistently, with “full-fibre” being used to describe FTTP services. We accept that there is value in using consistent terminology across industry especially if the technology is being used to market the product as customers are likely to expect the same meaning of common broadband descriptors.

Question 2:

Do you agree with our proposal for providers to give an explanation of the one- or two-word terms used to describe the service, in a way that can be easily accessed by customers?

Sky was pleased to see Ofcom acknowledge in the Consultation the risk of information overload that consumers face when making broadband purchases but think that more weight ought to be given to this point. The additional information proposed would add little value and detract from other information which must be provided.

Ofcom believes that clarifying the underlying technology balances the risk of information overload. Sky maintains that Ofcom should have considered the volume of mandatory information which customers receive during the sales journey, including the contract summary and contract information, and the risk which Ofcom has acknowledged elsewhere that giving customers information which they do not value may result in disengagement with the other information provided⁶.

Where a provider has *chosen* to refer prominently to the technology in the relevant product’s name or marketing, Sky recognises that more space should be given to explaining this on the product page as per the examples given by Ofcom in the Consultation. However, Ofcom’s own examples show how little space there is for a description of the underlying technology on the product page and during the sales journey, especially when viewed on a device with limited space such as a mobile handset⁷. This is even more of an issue if the provider must refer to the possibility of

⁶ Online market failures and harms: An economic perspective on the challenges and opportunities in regulating online services, para. 5.39, https://www.ofcom.org.uk/data/assets/pdf_file/0025/174634/online-market-failures-and-harms.pdf

⁷ p20 of the Consultation

other technologies being used because it cannot determine with certainty the technology which will be used at that point.

Unreasonable Implementation timetable

Should Ofcom decide to proceed with the proposals in the Consultation, 12 weeks is an unrealistic timescale to: (i) validate all requirements and assess the impact on all customer facing interaction points, and (ii) configure, build and test everything needed in order to go live. Sky believes that 9 months is the minimum reasonable period for implementation given the significant other regulatory interventions providers are implementing at the same time.

It would be both timely and costly to implement the required changes across Sky and especially NOW where there would also need to be changes to some NOW product names which contain the word “Fibre” and are not delivered over FTTP technology. As well as the added confusion resulting from customers seeing NOW products rebranded, we would need to review our own web pages, those of affiliates, and undertake additional work to rebrand including updating all our customer communications. To understand what it would take to unpack everything for NOW would take several weeks of impact analysis.

We have assumed that we would not need to notify existing NOW customers if the name of their current broadband product is changed. We have not been able to quantify the impact of any name changes on End of Contract and Annual Best Tariff notifications but expect it to be significant unless it is accepted that existing customers may see references to the re-named product.

Because Sky uses different technologies for the same products (as outlined in answer to Question 1 above), it is significantly more complex than for other providers that have a simple ‘one to one’ relationship between “Product” and “Technology” to display the information Ofcom is proposing in the Consultation.

The level of operational development work is likely to take at least nine months and would have an impact on Sky’s existing scheduled change plan. As this is not part of Sky’s current roadmap, it will require other projects and plans to be reprioritised where delivery timescales have already been committed to. As Ofcom is aware, we are currently working on the development of One Touch Switch which is expected to be delivered at the same time as the proposals within the Consultation, this also clashes with changes resulting from other regulations including the newly published Digital Markets, Competition and Consumer Bill which will have a huge impact on the business.

The teams delivering these plans do not have unlimited resource and capacity and therefore it needs to be acknowledged that the timelines will clash. Given the large majority of customers do not consider information about the underlying technology to be very useful Sky does not believe it would be appropriate for Ofcom to require providers to prioritise their limited resource in this way.

In 2019 the National Audit Office reported on the effectiveness of regulation and observed that: “The regulators in this review have good insight into consumer

concerns and issues. However, they are not sufficiently specific and targeted in setting out what overall outcomes they want to achieve for consumers, and therefore what information they need to evaluate and report on their overall performance robustly.⁸ This could also be said about these proposals.

Sky

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⁸ National Audit Office report "Regulating to protect consumers: Utilities, communications and financial services markets" March 2019: <https://www.nao.org.uk/reports/regulating-to-protect-consumers-utilities-communications-and-financial-services-markets/>