

A Response from the Communications Management Association to Ofcom's consultation on proposals to change the processes for switching fixed voice and broadband providers on the Openreach copper network

About CMA

CMA is an association of ICT professionals from the business community who have a professional interest in communications, in both private and public sectors. It is a registered charity over 50 years old, totally independent and without supplier bias. It is run by the members, for the members and aims to influence regulation and legislation, provide education and training and disseminate knowledge and information, for the public good. CMA's contribution to public consultations is generated via the process described in the Footnote to this response. (www.thecma.com)

Summary

We recognise that when Ofcom refers to “consumers” it includes both business and domestic consumers.

Bearing in mind CMA's tight focus on business customers of the CPs, this is a very brief response. We have not tried to address the specific questions posed by Ofcom.

We believe that the issues surrounding switching of fixed line providers and porting of mobile numbers on change of provider, although significantly different in form and function, nevertheless present similar challenges to the consumer and suggest similar solutions. We assume that Ofcom will have taken due account of such similarities.

Overall, CMA supports a harmonised approach and recommends that Ofcom adopts a GPL/TPV solution, with a maximum turn-round of five working days for fixed line switching and supported by a central database, presumably TPV-operated. We also propose a more informative approach by suppliers where consumers have contracts for bundled services. Furthermore, while the same basic system should be used for domestic and business changes, we would expect business customers to be given higher priority in the queue.

Small and Large Businesses

In both mobile and fixed markets, it is not possible to generalise when differentiating between the requirements of small business users and those of medium to large customers. The former are more likely to have a few individual arrangements, or domestic consumer contracts, while the latter tend to rely on company-wide, bespoke contracts reflecting specific services and valid for longer periods. Larger companies in that category can look after themselves in this regard and will negotiate their own agreements with suppliers. Other enterprises, although many will have a corporate contract with a single supplier, are more likely to be directly affected by porting/switching policies. However, all business users, of whatever description, are negatively impacted by delay, “win-back” and “save” tactics employed by the donor operator.

Process

We agree with Ofcom's analysis of the complexity of the switching process – there is a growing body of anecdotal evidence that new customers of BT's Infinity2 product can find themselves without service for periods that can be measured in weeks, and that engagement with the supplier is less than satisfactory. We would also welcome a solution that brings UK into line with the majority of EU Member States. Such an approach would be seen as support for the digital single market and would make life simpler for pan-European businesses.

We do not accept the counter arguments put forward by suppliers. Specifically:

- A central database has not been shown to be significantly inefficient or ineffective by those countries that have adopted it. A TPV approach would militate against slamming, inaccuracies and errors;
- Time to implement is, within reason, an irrelevance;
- Capital and operating costs are unlikely to be so great as to mandate an alternative solution;
- A relatively long lead time (eg: several days) for a switch is likely to reduce as experience with a harmonised process is gained.

However, CMA is concerned at the potential to delay or even deter switching posed by the prevalence of contracts for bundled services. We agree with Ofcom that, after a period of time under a bundled contract, most consumers and small businesses are uncertain about what their existing contract covers, any early termination penalties and whether a new supplier is able to offer equivalent services at equivalent or preferential terms. We would therefore like to see more transparency on paper bills and in on-line accounts in a standardised format that would allow the consumer to make accurate comparisons. We recognise that the aim of the work currently being carried out by the OTA2 is to simplify the fixed line number porting processes and documentation and to make this information available via a new web site. Consideration might be given to making such information accessible by consumers.

In the absence of easy and understandable access to information on bundled services contracts, we propose that a switch be followed by a two-week period of grace, to allow the customer to revert to his previous supplier without penalty.

Switching Time

In addition to a TPV system, business consumers want a guaranteed turn-round time of no more than five working days, supported by a General Condition that allows penalties for ineffective implementation or outright non-compliance. We believe that BEREC would support such a (deterrent) approach.

CMA
7 May 2012

Footnote - CMA's Internal Consultation Process on Regulatory Issues

Any consultation document (condoc) received by or notified to CMA is analysed initially by the appropriate Forum Leader for its relevance to business users based in the UK. (The majority of CMA's members are based in this country, with a third of them having responsibility for their employers' international networks and systems).

If the document is considered to be relevant to CMA, it is passed, with initial comments, to members of both the appropriate Forum and the 20 or so members of CMA's "Regulatory College" – ie: those members who have experience in regulatory issues, either with their current employer, or previously with a supplier. The CMA Chairman is also a member of the College. The detailed comments from the College are collated by the Forum Leader in the form of a draft response to the condoc. Note: if the condoc has significant international

import, the views of the international user community are likely to be sought. This is done through the International Telecoms User Group (INTUG).

Time permitting, the draft response is sent to all members of the Association, with a request for comment. Comments received are used to modify the initial draft. The final version is cleared with members of the appropriate Forum and Regulatory College (and, if the subject of the consultation is sufficiently weighty, with the CMA Board). The cleared response is sent by the CMA Secretariat to the originating authority. It might be signed off by the Leader of CMA's Regulatory Forum, and/or by the CMA Chairman.