

Consultation response form

Please complete this form in full and return via email to improving.engagement@ofcom.org.uk or by post to:

Carmen To
Ofcom
Riverside House
2A Southwark Bridge Road
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| Consultation title | Consultation on end-of-contract and out-of-contract notifications |
| Full name | Matthew Whittle |
| Contact phone number | [REDACTED] |
| Representing (delete as appropriate) | Organisation |
| Organisation name | Moneysupermarket Group |
| Email address | [REDACTED] |

Confidentiality

We ask for your contact details along with your response so that we can engage with you on this consultation. For further information about how Ofcom handles your personal information and your corresponding rights, see [Ofcom's General Privacy Statement](#).

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| Your details: We will keep your contact number and email address confidential. Is there anything else you want to keep confidential? Delete as appropriate. | Nothing |
| Your response: Please indicate how much of your response you want to keep confidential. Delete as appropriate. | None |
| For confidential responses, can Ofcom publish a reference to the contents of your response? | No |

Your response

| Question | Your response |
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| Question 1: Do you agree with our assessment of harm relating to residential consumers and Small Businesses? | <p>Yes</p> <p>Consumers can find the telecommunications market complex given the range of options across broadband, mobile and TV. Relatively new subscriptions streaming services such as Netflix and Spotify have also added the mix of consumer choice which can accessed through multiple communication methods and devices.</p> <p>We agree that there are a number of consumers who may face financial detriment as they find the market confusing, don't know the status of their contract and therefore do not switch products regularly. Like other utilities, there also remains significant consumer inertia in respect of the historic nationalised supplier, BT.</p> <p>It is clear through the report many consumers don't understand the status of their contract, the services which may be packaged up together and the meaning of consumption data. Furthermore, supplier behaviour may vary at the end of a contract or introductory offers depending on the specific product. Consumers may be continue paying the same, as they are out of contract, or may be placed onto an out of contract tariff which is significantly higher cost. This creates an information imbalance between suppliers and consumers. Consumers may not understand their options, savings and benefits available, all which leads to taking a suggested package at the point of renewal.</p> <p>Additionally, the price matrices which are not published by providers makes it difficult for consumers to assess whether they are getting a fair deal.</p> <p>All of this could result in a lack of engagement in the market and doesn't make consumers feel like switching service or providers.</p> <p>Consumer billing is moving to the online and paperless formats with consumers setting up fixed direct debits to spread the cost of the contract over its duration. Customer communications need to be clear and demonstrably understood by consumers. If messages are not clear, consumers may miss prices increases and not notice if their direct debit has increased. It is imperative that</p> |

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| | <p>different types of customer communication are properly trialled or field tested so that the most effective approach is taken forward.</p> |
| <p>Question 2: Do you agree that providers should send both end-of-contract and out-of-contract notifications?</p> | <p>Yes</p> <p>We believe consumers should have the opportunity to make informed decision at renewal of a contract and at the end of introductory offers as this will give the maximum time to find the best deal for their needs and potentially save money.</p> <p>Energy suppliers have a legal obligation to notify account holders their tariff is approaching its end which will be sent between 42 to 49 days before the contract end date.</p> <p>We believe similar prompting will act to engage consumers to switch deal and potentially suppliers.</p> |
| <p>Question 3: Do you agree with our proposal that notifications should be sent to all residential and Small Business customers who take Public Electronic Communications Services?</p> | <p>Yes</p> |
| <p>Question 4: Do you agree with our proposals on the content of the end-of-contract notification?</p> | <p>Yes</p> <p>Principally, all consumer communication should be clear, accurate and easily be able to be understood.</p> <p>It is important that information such as is included:</p> <ul style="list-style-type: none"> • the actual end date of the minimum contract period; • the fact that after that date the consumer is free to end their subscription without incurring an early termination charge; • the monthly price (change) to broadband contracts if the consumer takes no action; and • end of introductory offers should be clearly highlighted including the date at which the offer ends and when normal pricing will resume. <p>This should be included at a minimum and structured in a way which prompts consumers to think about considering new deals with their existing or new provider.</p> <p>We believe that communications should be properly trialled or field tested with consumers to identify the most effect approach. It is important</p> |

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| | <p>that communication methods such as letter, email and SMS should be strongly considered assuming consumers give their preferences on their preferred method of contact.</p> |
| <p>Question 5: Do you agree with our proposals on the structure, method, timing and frequency of the end-of-contract notification?</p> | <p>Yes</p> <p>Consumers need to be communicated to and engaged early in any switching process. There is a balance to be found between consumers being sent too much information but also feeling like the organisations communicate effectively to highlight their products and services.</p> <p>We agree that that the timing should be done up to two months prior to the end of the contract which will give consumers enough time to compare the various deals in the market. We believe that there should be at least 2-3 prompts to engage consumers into switching to a suitable deal.</p> |
| <p>Question 6: Do you agree with our proposals on the content of the out-of-contract notification?</p> | <p>Yes</p> <p>The content needs to be clear and explicit that the consumer is now out of contract and that they should switch to find a new deal. The content should be even clearer than end of contract notification as consumers will start to suffer financial detriment especially if they are switched to an out of contract tariff with higher prices. The notification should contain some options on switchable deals to provoke thought and engagement. Additionally, it should be clear that their out of contract deal is priced significantly higher than the standard.</p> |
| <p>Question 7: Do you agree with our proposals on the structure, method and frequency of the out-of-contract notification?</p> | <p>Yes</p> <p>The structure of the content needs to include the fact consumers are now on an out of contract rate and that no action will result in unnecessary costs – this messaging should be at the beginning of written communication and at the start of verbal communication. The method of communication will vary based on consumer preferences.</p> <p>Consumers should be notified on the day after they are out of contract and also be contacted for a final time two weeks after if they haven't switched to give consumers the best chance of engagement.</p> <p>Consumers who are out of contract should be told about this with every interaction and</p> |

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| | communication with/from the provider. |
| Question 8: Do you agree that our proposals are both effective and the minimum necessary to achieve our policy objectives? | Yes We note that other industries have had similar requirements for some time. Ofcom should be looking to draw best practice from other industries notably both the financial and energy industries where consumers are actively encouraged to engage in the market. |
| Question 9: Do you agree with the impacts we identify, and the approach we take to quantify these impacts, in our assessment in Annex 6? | N/A |
| Question 10: Do you agree with our provisional assessment that the potential costs for providers are not disproportionate in order to achieve our policy objectives? | N/A |
| Question 11: Do you agree with our proposed implementation timescale for end-of-contract notifications and for the one-off notification to customers who are already outside of their minimum contract period? | Yes We appreciate it will take service providers time to set things up so 6 months sounds reasonable however this should be implemented as quickly as possible so consumers can start saving money and finding the best deal for them straight away. |
| Question 12: Do you have any comments on the draft condition set out in Annex 9 to this document? | N/A |

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