

Consultation response form

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

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Consultation title	Consultation on end-of-contract and out-of-contract notifications
Full name	Reena Sedov
Contact phone number	[X]
Representing (delete as appropriate)	Organisation
Organisation name	Tesco Mobile
Email address	[X]

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](#).

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.	Nothing
For confidential responses, can Ofcom publish a reference to the contents of your response?	Yes

Your response

Question	Your response
Question 1: Do you agree with our assessment of harm relating to residential consumers and Small Businesses?	<p>Confidential? – N</p> <p>Agree and disagree</p> <p>Based on the key elements of the Ofcom assessment of harm, we have indicated if we agree or disagree.</p> <p>Ofcom assessment of harm relating to residential consumers and Small Businesses state;</p> <ol style="list-style-type: none">1. Most providers do not notify consumers of relevant information about the end of their minimum contract period, at an appropriate time <p>Agree – however specifically in relation to the notion of ‘appropriate time’ we query what is an appropriate time? That aside, the information is available to customers in their contract and customers can also call to obtain this information.</p> <ol style="list-style-type: none">2. Some consumers do not have the information they require to make informed decisions <p>Disagree – customers can at any stage obtain the information they require on their account to make an informed decision should they wish by calling our call centre</p> <ol style="list-style-type: none">3. Some consumers are unaware of their minimum contract period end date <p>Agree – although this is stated in the contract at the point of purchase, we accept that some customers may forget. However, a customer can contact us at any stage and find out their contract end date.</p> <ol style="list-style-type: none">4. Some consumers are unaware of what happens after their minimum contract period ends <p>Agree – however we do communicate with our Anytime Upgrade (“AU”) customers to let them know that they are coming to the end of their contract and when they are due for an upgrade.</p> <ol style="list-style-type: none">5. Some consumers are not clear about the options available to them after the minimum contract period and the savings that could be made

Neither Agree, nor Disagree – this would depend on the type of contract that the customer has. We communicate to AU customers within the minimum period of their tariffs letting them know that they are due for an upgrade.

6. Some consumers incur a penalty due to this lack of information

Neither Agree, nor Disagree –we do not view it as a penalty payment. However, in general we agree that some customers may be paying more than they should if they continue to be charged their handset portion of their contract once this has already been paid off during the minimum period. The benefit of Tesco Mobile's AU proposition, is that the customer's monthly price automatically drops once they have paid off the handset portion of their contract.

7. Some consumers are unable to avoid unexpected price and service changes

Agree, some operators do increase prices mid-contract.

We **disagree** from a Tesco Mobile perspective – we have never increased the charge for our customers during contract (e.g. RPI), therefore customers do not receive any price or service changes mid-contract.

8. There is often a financial penalty to staying out-of-contract

As per point 6.

9. A significant proportion of consumers are outside their minimum contract period

Disagree – but this will depend on each operator as to the proportion of customers who are out of contract in their base.

10. Some consumers do not benefit from improvements in services and price once their minimum contract period ends

Disagree – customers may be eligible for additional services or propositions as an existing customer, even after minimum contract period ends. For example, a customer is out of contract yet adds another subscriber to their account, they would then be eligible for our family perks proposition, which could give them the benefit of a discount/extra data.

11. Some consumers have to spend time and effort to proactively seek out contract status information

	<p>Agree – while the information is listed in the customers contract, and customers can call Tesco Mobile Care, most customers will have to seek out the relevant information online or other means.</p>
<p>Question 2: Do you agree that providers should send both end-of-contract and out-of-contract notifications?</p>	<p>Confidential? – N</p> <p>End of contract: Agree</p> <p>Out of contract: Comments below</p> <p>A key learning from recent changes to General Data Protection Regulations is that customers felt they were being over communicated to during the run up to legislation landing, to the point of the message losing its impact. This wasn't specific to any particular provider or business, but a result of businesses subject to the same regulation, communicating to all their customers, at the same time.</p> <p>Has Ofcom considered a similar scenario whereby all suppliers of communication services start communicating out to those who are out of contract at the same time? As identified in the consultation document – this is a particularly large volume of customers, which could result in a similar effect as per the communication surrounding GDPR.</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>Confidential? – N</p> <p>Agree - subject to the comments in point 2. We would also need clarification on exactly who should be communicated to (i.e. assume bill holder only).</p> <p>Tesco Mobile does not have a Small Business offering.</p>
<p>Question 4: Do you agree with our proposals on the content of the end-of-contract notification?</p>	<p>Confidential? – N</p> <p>Overall agree with some caveats</p> <ul style="list-style-type: none"> • There are a number of reasons why a customer might be out of contract. There are also a number of options available to customers who are out of contract. Highlighting SIMO would be making an assumption that this is something the customer is interested in (customer may not be in a position to re-contract yet, but may be intending to, for example). • Giving preference deterministically as set above, doesn't leave room for the operator to make more nuanced decisions on what product the customer may actually be interested in. If, for example, we know a customer has been enquiring about a new contract,

	<p>but hasn't purchased yet, recommending SIMO wouldn't be the best option for the customer.</p> <ul style="list-style-type: none"> • There is a risk that the communications become irrelevant and therefore lose impact if we suggest an alternative service that isn't in the customer's consideration set. • In that vein, would Ofcom suggest that for SIMO customers coming to the end of their contract we recommend a relevant Handset contract? • Another factor is the method of delivery suggested (i.e. SMS), there could be a lot of content to get across in one message which could detract from the effectiveness of the policy objective. • There is a larger concern following implementation of GDPR. How could we market such options to customers who have opted out of marketing?
<p>Question 5: Do you agree with our proposals on the structure, method, timing and frequency of the end-of-contract notification?</p>	<p>Confidential? – N</p> <p>Agree -</p> <ul style="list-style-type: none"> • Seems like a pragmatic approach. No major objections. • Agree that we need to be flexible with the timing of providing the notification. SMS is the best form of delivery to reach all customers. • Good recommendation from Ofcom to link to myaccount as there are ongoing developments here.
<p>Question 6: Do you agree with our proposals on the content of the out-of-contract notification?</p>	<p>Confidential? – N</p> <p>Disagree -</p> <ul style="list-style-type: none"> • Question why it is necessary to add their contract end date in an out of contract notification. For some operators customers could be out of contract for a long time, and we query the benefit of notifying customers of this. • Disagree on the requirement to be prescriptive in relation to other offers or products (i.e. SIMO) as per comments in question 4. • Please see comments in question 2
<p>Question 7: Do you agree with our proposals on the structure, method and frequency of the out-of-contract notification?</p>	<p>Confidential? – N</p> <p>Strongly disagree on a few points</p> <ul style="list-style-type: none"> • Not all organisations capture a customer 'communications preference' (4.54). Customers may prefer to receive communications via one channel over another by opting out of receiving marketing from one or more channels, however a customer's communication 'preference' isn't always explicitly

	<p>collected. This would take additional system development to collect and it is not an option to ask all customers for their preference.</p> <ul style="list-style-type: none"> • For the out-of-contract notifications, we would question the necessity of adding the contract end date in the communication and the benefit this will deliver • There is a limit on character length for SMS therefore best-practice to keep the message as clear and succinct as possible to ensure clarity of message. Adding offers could make this more convoluted and detract from the message, query how this would work from a GDPR perspective for opted out customers. • Question why there is a requirement to favour one product over another (i.e. SIMO). • There does not appear to be consideration of cadence in relation to the time frame for delivery of the OOC notifications. It is not an option that all of the OOC base can be contacted on the same day.
<p>Question 8: Do you agree that our proposals are both effective and the minimum necessary to achieve our policy objectives?</p>	<p>Confidential? – N</p> <p>Overall agree, with some caveats;</p> <ul style="list-style-type: none"> • Although communicating to customers through SMS is an efficient and effective method – as noted by the research and in the methodology - there is a human and technology cost to setting up and maintaining campaigns over time which may be disproportionate across operators. • There could also be system updates required to ensure the relevant data is available in relevant communication systems (such as contract end date), which would require additional technical development which is yet unknown. • Additionally, we carefully manage the number of messages that a customer receives in their lifetime with us – we would propose that an option would be to include the customer’s contract end date into any upgrade communications that are sent to customers, rather than a standalone piece of communications.
<p>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?</p>	<p>Confidential? – N</p> <p>Agree;</p> <ul style="list-style-type: none"> • With the cost impacts to providers outlined in A6.5 and A6.7 • With ongoing costs noted in A6.10 with reference to SMS would be negligible • Broadly agree with the approach and assumptions underlying these impacts, however they will vary by

	<p>operator, especially in the instance of Tesco Mobile whereby customers on AU contracts do not continue to pay the handset portion of their contract. It will also depend on whether an operator's customers are in or out of contract.</p>
<p>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?</p>	<p>Confidential? – N</p> <p>Overall agree;</p> <ul style="list-style-type: none"> • That potential costs for providers are not disproportionate to the policy objectives, based on a provisional assessment. Although this assumes that there are no significant technical development that Tesco Mobile need to make to technology and 3rd party systems and partners to deliver the communications • That with the notion of negligible ongoing costs due to the effective nature of sending communications via SMS (A6.10) <p>However, while we agree with the cost categories identified (A6.5), there are wider considerations in terms of customer experience and timing of communications to all customers who fit this criteria which need to be considered.</p> <p>Additionally, we cannot overwhelmingly agree as there could also be a significant cost attributed to the increase in customers contacting Tesco Mobile, which could be disproportionate by supplier which has not been captured (as noted in A6.11)</p>
<p>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?</p>	<p>Confidential? – N</p> <p>Overall agree.</p> <p>However, while we believe the implementation timescales to be entirely sensible for an individual company – for the out-of-contract notifications, it could be that we have a similar reaction to that of the GDPR implementation where consumers were overwhelmed with notices to the point that consumers could start to ignore the messages/notifications.</p> <p>While out-of-contract notifications may not be as widespread, consideration should be taken into that fact that communicating to all customers within a short period of time can cause fatigue with customers, meaning it may detract from the overall objectives of the policy.</p> <p>https://www.theguardian.com/technology/2018/may/24/last-minute-frenzy-of-gdpr-emails-unleashes-torrent-of-spam-and-</p>

	<p>memes</p> <p>https://www.independent.co.uk/life-style/gadgets-and-tech/news/gdpr-latest-messages-emails-privacy-policy-opt-in-date-eve-a8367141.html</p> <p>In addition, we query the impact of the CMA and Citizens Advice super-complaint looking into consumer behaviour in relation to overpayment on standard bundled handset tariffs. We would welcome a joint approach to this from the regulatory authorities rather than proposing piecemeal changes or conflicting propositions.</p>
<p>Question 12: Do you have any comments on the draft condition set out in Annex 9 to this document?</p>	<p>Confidential? – N</p> <p>C1.12 – requires a large amount of information to be sent particularly if requested via SMS. Appreciate that C1.16 sets out the compulsory information for SMS notifications. However, there is also the requirement in C1.16 (b) to make it clear to the customer exactly how other information will be provided. This could result in a convoluted message, not easily understood by the customer.</p> <p>C1.17 – requirement to send SMS to subscribers – but our subscribers can have a number of sub-accounts. In this instance, we would be required to send all notifications to the subscriber resulting in multiple notifications.</p> <p>C1.17 – requirement to reference SIM only as the only option is not a useful customer experience in all cases.</p> <p>C1.18 – what is the GDPR consideration here? This can only apply to those who have opted in. Not a good customer experience for those who are opted out.</p> <p>C1.21 – we do not think it is helpful to provide the date on which the FCP ended. It would potentially create a bad customer experience, with no recognisable benefit.</p>

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