



Non-confidential version<sup>1</sup>

## Three's response to Ofcom's consultation on end-of-contract and annual best tariff notifications

### *Summary*

1. Three<sup>2</sup> supports Ofcom's efforts to encourage more consumers to engage with communications markets and believes that Ofcom's proposal, requiring communication providers to send both end and out of contract notifications to their customers, is a positive step that will prompt more consumers to engage. Engaged consumers are good for competition and good for the UK's economy and most importantly these consumers get better deals.
2. Since our launch in 2003, we are always looking at ways to enable our customers to make the most of their mobile through the development of innovative, market challenging propositions such as 4G at no extra cost<sup>3</sup> and allowing our customers to use their calls, texts and data allowances in over 71 destinations world-wide through our Go Roam offer. Furthermore, we have been pressing for initiatives to encourage greater switching in the market and actively campaigned for switching reform for over 10 years so that it is simpler and quicker for customers to switch provider.<sup>4</sup>
3. We are focused on helping our customers access the information they need, at the right time, so that they can assess that information to make informed choices and then act on those choices. Easy switching is essential for effective engagement. Our customers can easily access information about the service they have purchased, including any minimum contract period, through both their on-line account and their My3 App and which is available on a 24/7, 365-day basis.
4. We believe consumers should have the opportunity to engage with the market and to share the benefits of competition. To do this, consumers need to be able to access the right information, at the right time, to make an informed choice, and then effectively act on their choice.<sup>5</sup>
5. Sometimes not everyone is able to engage effectively, perhaps through disability or some other personal factor that leaves them vulnerable and disengaged. When this happens, it is important that these vulnerable consumers are appropriately safeguarded.
6. We understand that consumers lead busy lives and that they may not always remember when to engage and the detail of the services they have purchased, which is why we agree with Ofcom that it is important that customers are reminded when their minimum contract period is about to end and nudged to engage with the market.
7. However, this reminder or nudge needs to be carefully worded so that it does not overload consumers with unnecessary information or confuse them. Communications also need to be secure so that consumers do not inadvertently suffer harm through, for example, smishing<sup>6</sup> or slamming,<sup>7</sup> and in a way that protects customers' personal information.

<sup>1</sup> Confidential information is denoted by [C] and has been removed.

<sup>2</sup> Hutchison 3G UK Limited

<sup>3</sup> Compared to our 3G services

<sup>4</sup> Three pushed for a full gaining provider led switching process which, had it been accepted by Ofcom and industry, would have placed real switching control in the hands of consumers, and we are committed to ensuring that Ofcom's auto-switching initiatives are implemented on time for consumers.

<sup>5</sup> Equally, if a consumer chooses not to engage, even if Ofcom believes this irrational, that choice should be respected.

<sup>6</sup> SMS Phishing, a variant of phishing scams that instead utilises SMS services to send bogus text messages

<sup>7</sup> Switching a customer from one service provider to another without the customer's agreement



8. In the remainder of our response we identify and discuss specific issues and challenges with Ofcom's proposals, before answering each of Ofcom's consultation questions.

*Danger of regulatory support of a specific sales model*

9. Ofcom should be cautious in favouring one sales model over another, rather Ofcom should focus on ensuring that consumers have access to the information they need, are able to assess the choices available, to make informed purchasing decisions at the relevant time.
10. For example, buying a phone on credit with a linked airtime agreement has significant consequences, some potentially detrimental, for consumers and for industry. In addition to the potential for consumers to pay more than they need to, consumers and industry will need to comply with unnecessarily duplicative and different regulatory regimes, overseen by multiple regulators, including Ofcom and the Financial Conduct Authority. This leads to consumer confusion<sup>8</sup> and hassle<sup>9</sup>, leading to increased cost for both consumers and providers, and contradictions or loopholes which may be abused to consumers' detriment.<sup>10</sup>
11. There are already multiple models currently available in the mobile market whether pay-as-you-go (PAYG), SIM only, pay monthly tariffs and customers are able to purchase devices from multiple retailers and consider best options for themselves. This range of different sales models in the mobile market enhances consumer choice and engagement.

*Content of notifications*

12. To maximise the impact of the nudge and avoid consumer confusion and security problems, the content of the notifications should contain information which promotes consumer engagement. We agree that the content of the notifications should be as simple and straight-forward as possible to avoid overloading the customer with information, but at the same time giving the customer enough information to make choices and engage with the market.
13. What is important is that customers are appropriately nudged to engage with an effective call to action. We agree with Ofcom's proposals to tell customers about the range of options available at the end of the minimum contract period since this acts as an effective prompt to customers and it also alerts them to various possibilities, which may involve switching.
14. We agree with the proposal that customers should be informed of how much their monthly price is and whether there will be any changes at the end of the fixed minimum period. However, we want to emphasize that our customers already have this information. In a mobile context where customers, can easily see their monthly bill via on-line services or on smart phone or tablet Apps, billing information is also easily available via customers' bank statements, which again are available on line or via mobile banking Apps. It is very easy for our customers to access the information they need, including information about their minimum term, via their on-line account or My3 App. How easy this information is to find can be seen from the screen shots we have included at Annex 1. Many our customers use our on-line and My3 App services<sup>11</sup> and we are always looking for ways to encourage greater use.

*Security concerns with SMS*

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<sup>8</sup> For examples, around the rules that apply to the maximum length of contract, e.g. is it 24 months or more, who the consumer should complain to in the event of a problem.

<sup>9</sup> For example, the need to complete separate and additional finance agreements, consumer credit checks, etc.

<sup>10</sup> [C].

<sup>11</sup> Based on 3 months' data Q3 2018, on average, each month there were [C] views of the upgrade eligibility pages on three.co.uk., [C] visits to the My3 app, and [C] visits to the My3 app upgrade eligibility page "My Plan".



15. Including the information that Ofcom proposes be included in a notification, in particular via SMS, with a link to a further message or information, creates potential security issues. At a time when Three and other providers are exploring ways to better both educate consumers about how to protect themselves from fraud, Ofcom's proposals are inconsistent with current policy. Three are educating consumers to protect them from smishing, and are developing safer ways for consumers to obtain the information they need, for example by encouraging them to use an App such as the My3 App. Ofcom should be extremely mindful of the detrimental consequences arising from placing contractual information in certain media outside of a secure environment.
16. Ofcom's proposal may also promote poor data protection practices under the General Data Protection Regulation (GDPR). For a significant number of subscribers, the only communication channel available is SMS. However, the end-user of the service in question may not be the subscriber and therefore, unbeknown to the CP, information that is personal to the subscriber may be disclosed inadvertently to the third-party end-user.<sup>12</sup>
17. Our normal practice requires personal information, including contractual information about a subscriber's account, not to be sent in an SMS. Rather customers are prompted to access the message, from a neutral SMS message, via their on-line account or through their My3 App, which is a secure environment.
18. Requiring the provision of information in a notification, especially an SMS, other than the minimum term end date and messages that are a call to action will, in addition to potentially obscuring the key consumer message, result in increased development costs for what are complex systems, costs which would not be proportionate.

#### *Notification Timing*

19. The timing of the notifications will be vital to ensuring their effectiveness. As we responded in the first consultation, a period of 30 days should give consumers enough time to shop around and find the best deal for them and be ready to act on their decision at the end of the minimum period<sup>13</sup> and is consistent with Ofcom's own Jigsaw market research:

*"The idea of an ECN [end of contract notification] was welcomed by all" and "Consumers felt [the ECN] would ideally be received a month or so before the contract ends • Close enough that seems relevant • Far enough to allow time to have a think / look around."*<sup>14</sup>

20. To maximise the impact of out-of-contract notifications, we agree with Ofcom's current proposals to have the window during which notifications may be sent between 10 and 40 days before the end of the minimum contract period, allowing competing providers to focus marketing messages on engaging with and winning these customers.

#### *Link to mobile switching<sup>15</sup>*

21. While nudging consumers to engage is a vital part of the story, it is just as vital that consumers can easily act on their purchasing decisions. Easy switching is therefore essential to good engagement and in a mobile context, Ofcom should ensure that the industry auto-PAC based switching process is in place and working satisfactorily, before encouraging extra load on that

<sup>12</sup> In a mobile context, this may occur where one spouse is the Subscriber and the other spouse the End-User. Delivering an SMS to the mobile handset may result in the SMS being read by the End-User spouse, not the Subscriber spouse.

<sup>13</sup> In a mobile context, auto-switching will enable the customer to effectively act without incurring additional costs.

<sup>14</sup> Page 10: [https://www.ofcom.org.uk/data/assets/pdf\\_file/0020/117074/Qualitative-end-of-contract-notification-research-July-2018.pdf](https://www.ofcom.org.uk/data/assets/pdf_file/0020/117074/Qualitative-end-of-contract-notification-research-July-2018.pdf)

<sup>15</sup> Auto-Switch is package of regulatory reforms that include the introduction of a new and simplified way to switch where consumers will be able to request and automatically receive a unique code by text (either a PAC –or N-PAC), or through their online account, which the consumer can give to their new provider to switch and port their number (if they wish to do so): <https://www.ofcom.org.uk/consultations-and-statements/category-2/consumer-switching-proposals-to-reform-switching-of-mobile-communications-services>



new process. In addition, as explained below in relation to best tariff advice, we believe that the availability of the auto-switching process should get as much prominence in any notification as the best tariff notification.

### Best tariff notifications

22. We recommend that the terminology should change from 'best' tariff to 'recommended tariffs'. First, because using the term 'best tariff' implies that there is only one option and we believe that the customer should have a variety of options to consider. We think 'recommended' tariffs might work better than having several 'best' tariffs. We have kept the wording 'best tariff' in our response to this consultation because that is the wording used in this consultation.
23. Three's response to the consultation will address the challenges with the best tariff proposals, since this is an entirely novel proposal and has led to three concerns: first, a concern about whether it will lead to a negative or chilling impact on switching in the mobile market; second, a problem about how to effectively implement an appropriate best tariff for customers; and finally, concerns about data protection liability arising from these proposals.

### Concern about negative impact on switching in mobile market

24. Ofcom's proposals on end of contract and out of contract notifications includes an obligation to provide a 'best tariff notification' that applies in relation to all public electronic communications services. Although the obligation applies to all providers of landline, broadband, mobile and pay TV services, we believe that this proposal could lead to disproportionate and unintended consequences in the mobile market, by potentially undermining switching and rendering ineffective regulatory measures to facilitate switching (e.g. auto-switching process due to come into force on 1 July 2019). The switching process has been the subject of considerable time, effort and planning on the part of CPs.
25. The best tariff notification risks facilitating internal switching by consumers onto a different tariff with the same supplier, and so to potentially undermine the efforts to introduce easier switching between communication providers. More research needs to be done to assess the risk of encouraging apathy by consumers relying on best tariff rather than engaging to look around at different suppliers and options.
26. We welcome the end of contract and out of contract notifications and we support Ofcom's efforts to encourage more consumers to engage with communications markets. As we stated in our response to Ofcom's first consultation, we welcome these notifications as a positive step that will prompt more consumers to engage. However, it would be ironic if the best tariff notification acted to counteract these positive incentives to engage in the market and instead led to retention by mobile CPs and undermined the auto-switching reforms that come into effect in July 2019.
27. Therefore, we propose for mobile providers that the best tariff notification should contain an explanation of the auto-switching process so that customers clearly understand the simplicity of the process and that they do not have to talk to the existing CP. Reassuring statements on the switching process have been known to have positive effects on consumers who are afraid of losing service during the switch.
28. Also, by reminding customers of the switching process with the best tariff notification, it may allow them to use the best tariff proposals from their CP as a price anchor to compare offers on the markets by other suppliers.
29. We propose that the best tariff proposals for mobile should include language referring to switching and to auto-switching and should contain:
  - An explanation of the auto-switching process and state that the switching process is easy and automatic



- A mandatory regulatory statement to customers that ‘your best tariff may be with another communications provider’
  - The message about switching should have equal prominence as any of the best tariff offers.
30. The advantage of adding these statements to the best tariff notification is that they prevent the notification just becoming a means for CPs to retain customers, and instead could encourage active engagement with the market.

### **Best tariff and assessing what is “best” for customers**

31. The term ‘best’ is an ambiguous and subjective term and implies a qualitative judgment. It is difficult to identify what is best for anyone else and particularly for sophisticated customers with a variety of different needs and options. We have some concerns about choosing an appropriate best tariff that are based on the following issues:

#### Consumer sovereignty

32. Our view is that consumer should be sovereign and that presuming or choosing a best tariff for a consumer should not be operate to exclude or pre-empt the wide variety of choices available to them. Limiting the number of ‘best’ tariffs would operate to potentially limit the range of choice available to a customer and to skew the picture of the range of options available. What is best may only be appropriate for a certain point in time and ignores customers’ prospective usage over their next contract period where circumstances may change. It also ignores how a tariff may be constructed in an era of 5G with multiple products and services.

#### Complexity of choice in mobile telephony

33. The variety of different choices available to mobile telephony customer is based on their unique and individual requirements, involving different patterns of voice and data usage, different options for roaming or international calling, various other elements to the package, for example, content and experiential services. In addition, this complexity will increase with 5G and Internet of Things (IoT) packages which will include various devices and other options related to these devices, for example, connected houses. Therefore, identifying a best tariff in the mobile market is not as simple as choosing a best tariff for a basic utility service (e.g. energy or water). Mobile consumers can choose several permutations and combinations of service provision that reflects different needs and usage. When a device is added then complexity grows exponentially with factors like device financing, ranking and stock availability coming into play.
34. An example of this: offering a best tariff to an existing Apple iPhone customer may decide that they want to try a Huawei device and, as such, their best offer may not be the latest device from Apple. Ultimately if a CP has an exclusive agreement with a device vendor, not stocked by the existing CP, and a customer wants that device, then any offer from the existing CP will not be the best offer for that customer as the existing CP does not offer what they want.
35. For this reason, it is almost impossible to identify a ‘best tariff’ proposal due to all the moving parts involved in any offer, especially with the wide choice of handsets and accessories on offer. Any attempt will be necessarily a compromise.

#### Process around how to decide on best tariff

36. The best tariff proposal is like imposing a regulatory obligation asking CPs to be internal price comparison websites for their own customers.
37. The complexity of offers in the mobile telephony market means that identifying a best tariff for a customer may be an inexact exercise; it is likely to be based on the customer’s past usage, with



a presumption that the past patterns of usage of voice and text will form the basis for future usage.

38. The concern is that CPs may, consequently, incorrectly identify a 'best tariff' for a customer, particularly if the customer anticipates significant changes in its voice or data usage, or would be willing to try different packages if it knew of their availability.
39. There are several potential risks for a CP if a customer believes that the best tariff was incorrect or misleading. First, it risks losing the trust of the customer who believes that they have not been offered a 'best tariff' and consequently churns. Second, there is a question of potential liability if a customer decides that they have been misled as to the best tariff appropriate for its needs. This is particularly the case if the customer signs up for a contract based on a best tariff and then accuses the CP of bad faith in its recommendations. The customer would have a right of redress if they felt that they had been wrongly recommended a 'best' tariff that was inappropriate. Finally, there are potential regulatory consequences from not offering the customer the correct 'best tariff'. There is no indication from Ofcom on how the best tariff notification would be enforced. Presumably, if CPs do not provide adequate best tariff proposals to their customers, they would be in breach of the proposed new General Conditions on best tariff notifications.
40. Consequently, the CP will need to put in place a certain methodology for demonstrating accountability and compliance, both internally and externally, to explain how the CP arrives at the best tariff proposal. This would allow the CP to give an explanation to the customer to ensure that they trust what we have picked as best for them, even if it is wrong, was done so in good faith. It also means being transparent as to what was considered best, by 'showing our workings' i.e. explaining the basis on which the best tariff proposed was decided. This means that the best tariff proposals could potentially impose significant implementation costs and lengthy messaging with caveats to the customer.
41. For this reason, recommending a best tariff to a customer is likely to be an inexact or approximate exercise. CPs need to be reassured that this advice will be treated as a recommendation only, and that they will not incur liability or regulatory enforcement based on what can only be recommendations.
42. To indicate to customers that these tariffs are just recommendations and that other tariffs may be more suitable, CPs will need to caveat the best tariff notification and to propose that the customer contact them for tariffs that may be more appropriate for their needs.

#### Response on proposed best tariff proposals

43. Based on the above, these are our preliminary views on the best tariffs proposed by Ofcom. However, we believe that more research needs to be done on consumer requirements and implementation in practice. As regards Ofcom's proposed best tariff categories as set out in its consultation:
  - We propose that the CP has freedom to offer several best tariff proposals, at least one best tariff proposal and potentially more. We do not think that the best tariff proposals should be limited to three proposals only as proposed by Ofcom, at least not in the mobile market. This is a complex market with sophisticated customers that may benefit from being told about a variety of relevant offers, particularly where there may be a range of potential handset and device offers and a range of packages open to them.
  - We agree with Ofcom's recommendations that at least one of the best tariff proposed should be based on previous usage. The best tariff based on previous and current customer usage data is probably the most easily justifiable 'best' tariff for any customer since each CP can point to reasons for identifying it as best for the customer.



- It is likely that most CPs will want to advertise a cheaper tariff to their customers, but in this market (unlike in fixed broadband) the Ofcom proposals requiring the CP to identify its cheapest tariff and the cheapest available to any consumer (if not the same) is not relevant to the mobile market. In general, we disagree that there should be an obligation to provide a best tariff based on the cheapest tariff. A tariff may be cheaper than the customer's current tariff, but without various add-ons that the customer currently enjoys. There is a risk in imposing an obligation to showcase the cheapest tariffs that it may act to encourage customers to switch to a cheaper package and then complain that it does not include many of the features enjoyed in their current package. This could lead to customer dissatisfaction and lack of trust and overall a bad customer experience.
  - We agree that consumers with a bundled mobile and handset deal should be told about at least one SIM-only deal. However, SIM-only is not an appropriate deal for some customers and we need to recognise that this would not be considered 'best' by certain customers. Therefore, we do not want the requirement to provide a SIM-only option to exclude the number of other options to tell customers about more suitable offers based on their past usage, for example upgrade offers.
  - We do not think that only one upgrade tariff is enough for a mobile customer, who may want to see a range of potential handset tariffs to compare and contrast this offer.
  - We would like the best tariff notification to include the caveat that the best tariffs identified are based on our understanding of their current needs based on past usage but that there may be other offers more suitable for them. We would like to include messages that encourage the customer to contact us to find the full range of offers available.
44. Overall, we are aware that a 'best tariff' is a subjective matter and that what we consider best for a customer may not be best from their point of view. Therefore, we support giving the consumer choice rather than removing or restricting it. Ideally, we would support making several best tariff offers available to the customers and having the flexibility to tailor the number of best tariff proposals based on the customers' usage profile. We support giving customers the possibility to contact us for more best tariff offers suitable for them, since we recognise that many of our customers are sophisticated users with complex needs.
45. Finally, we believe that the most effective method to ensure that all CPs offer their best tariffs in good faith is to have a reminder in the best tariff notification of the opportunity to switch to another CP using the auto-switching process. This will ensure that all CPs propose a genuinely 'best' tariff to their customers.

#### **Data protection and interaction with GDPR impact on customers that have opted out**

46. A further concern that we have about the best tariff proposals is that this communication could become a Trojan horse used to evade the marketing opt-outs by customer that have specifically ticked a non-marketing choice given with the introduction of the General Data Protection Regulation (GDPR). The best tariff notification will allow all CPs to contact the entire customer base, including those who opted out of marketing communications, to potentially upsell or encourage customers to switch tariff internally.
47. We note that Ofcom briefly addresses the GDPR impact point in para 6.82-6.87 and refers to having spoken to the ICO. However, we would appreciate clearer guidance from Ofcom on whether the regulatory obligation to offer a best tariff proposal overrides the marketing opt-out chosen by customers under the GDPR and how CPs could manage this message to customers.

#### **Clarification of what is included in 'details of other contracts' for purposes of notification**

48. We would appreciate further clarification on the meaning of contracts that are financially linked to a core contract or where there is an interdependency between the core contract and the other



contracts. This is to fully understand the scope of proposals to list these contracts in the notification.

#### **On prominence of certain messages in the notification**

49. We support Ofcom's proposals and believe that Ofcom should be more prescriptive in how this notification is written particularly as regards the message around switching, since this is a nudge proposal and framing and wording are important. We would like an obligation that messages about switching in mobile are at least as prominent as best tariff proposals so that no CP can bury the information about switching.
50. In addition, we support having the best tariff notification labelled as a communication mandated or supported by Ofcom. This would potentially alleviate the problem of customers treating this as a marketing communication and of CPs incurring hostility from customers who have explicitly opted-out of receiving marketing.

#### **Implementation and timescales**

51. Three would also like to make Ofcom aware that selecting and implementing best tariffs for all end-of-contract and out-of-contract customers would involve identifying and tailoring best tariff proposals for end of contract customers and annually repeating this exercise. This imposes a considerable development burden on our systems to identify and prepare for this obligation. The impact on providers of developing and identifying the appropriate tariffs to include in end of contract notifications will involve the cost of setting up an appropriate system to do so based on usage data. This will involve development costs to link different systems of information, and this involves communications that goes beyond normal marketing communications. It will involve investment in both implementation and compliance costs. We believe that more research needs to be done on consumer requirements and implementation in practice although shouldn't delay implementation of end of contract notifications and that "best tariff" advice could be implemented afterwards.

The remainder of this response answers Ofcom's specific questions.





### **Annex – Responses to Ofcom consultation questions**

#### **Question 1: Do you agree with the way we propose to implement the requirement to provide end-of-contract notifications in terms of the services they should cover?**

Yes – we agree that the scope of the proposed notifications should cover all electronic communications services.

#### **Question 2: Do you agree with the way we plan to implement the requirement to send end-of-contract notifications and annual best tariff notifications to residential consumers and businesses?**

We agree that both individual and business subscribers would benefit from being reminded, at an appropriate time, that their minimum contract period is ending or has ended.

#### **Question 3: Do you agree that end-of-contract notifications should be sent to end-users before the expiry of a fixed commitment period, if the contract will be automatically prolonged after that point?**

Yes. We agree with this proposal should be sent in advance of the expiry of the minimum contract period.

#### **Question 4: Do you agree with our proposal not to specify in a prescriptive way the words and language used in end-of-contract notifications?**

Yes. We do not believe that Ofcom should not be prescriptive with the actual words used in the notifications.

#### **Question 5: Do you agree with our implementation proposal for the end-of-contract notification to include the date on which the fixed commitment period will end?**

Yes. We agree that the end of contract notification should include the date since this makes it clear in advance to customers that their contract is coming to an end and acts as a nudge to the customer to engage with the market.

#### **Question 6: Do you agree with our implementation proposal for the end-of-contract notification to include details of the services which the provider currently provides to the end-user under the relevant contract?**

Yes. We agree that the customers should be told about the full range of services that they are receiving from the CP in the end of contract notification.

#### **Question 7: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding notice periods?**

Yes. We agree that the end of contract notification should include information about a notice period.

#### **Question 8: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding early termination charges?**

Yes. We believe that customers should be informed that after the minimum term that the customer will not face any early termination charge if it decides to cancel its contract with the CP. We believe that the term cancellation fee rather than 'early termination charge' might be easier for a customer to understand and that the language and terminology used should be determined by the CP, so long as



the message is clear to customers that they won't face any fees for cancelling their contract after a certain date.

**Question 9: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding other contracts which the provider currently provides to the end-user?**

No. As set out in our response, we would appreciate further clarification on what other contracts fall within the scope of this provision.

**Question 10: Do you agree with our implementation proposal that the end-of-contract notification must include information regarding how to terminate the contract?**

Yes. It is essential for the customer to understand how to terminate the contract.

**Question 11: Do you agree with our implementation proposal that best tariff advice should include the monthly price currently paid, and any changes after the end of the fixed commitment period?**

Yes. We agree that the customer should be told about any changes to their tariff after the minimum contract period and particularly if there is any increase in their tariff after the minimum period. However, as explained in our response, Three's customers can consult their monthly tariff and additional information via the MY 3 app so we would propose directing customers to this information rather than including it in the notice.

**Question 12: Do you agree with our implementation proposal that best tariff advice should include changes to the service provided because the fixed commitment period is ending?**

Yes. If there are changes to the service provided, the customer should be informed of this in the notification.

**Question 13: Do you agree with our implementation proposal that best tariff advice should include the date on which the fixed commitment period ends for financially linked or otherwise dependent contracts taken with the same provider, for subscribers on residential contracts?**

No. As set out in our response, we would appreciate further clarification on what other contracts fall within the scope of this provision.

**Question 14: Do you agree with our implementation proposal that best tariff advice should include the options available to the subscriber after the fixed commitment period has ended?**

Yes. These options are essential for the customer to understand the choice available to them and to take decisions about what to do next.

**Question 15: Do you agree with our implementation proposal that best tariff advice should include the provider's best tariff and with our draft guidance for subscribers on residential contracts that:**

- a. providers should give residential consumers at least one and up to three best tariffs;
- b. the tariffs should be based on similarity to the consumer's previous usage where relevant, and otherwise based on service packages that are most similar to what the consumer currently receives;
- c. one tariff should be the cheapest tariff available to the consumer receiving the advice;
- d. one tariff should be the cheapest tariff available to any consumer (if not the same as in (c));
- e. one tariff can be the cheapest upgrade tariff;



- f. one tariff should be a SIM-only tariff where the consumer has a bundled handset and airtime contract; and**
- g. tariffs should be for a bundle of services where the consumer receives them under a single contract with the provider or has financially linked or interdependent contracts with the same provider and where the fixed commitment period(s) is about to end or has already ended.**

No. Please see our detailed response on each of these points in paragraph 41 above.

**Question 16: Do you agree with our proposed implementation on the timing of the end-of-contract notification?**

Yes. We agree that the timing proposed is likely to engage customers since they are closer to the contract minimum term.

**Question 17: Do you agree with our proposed implementation regarding the form of the end-of-contract notification?**

No. Please see our response in respect of our security concerns on SMS notification in paragraphs 15-18.

**Question 18: Do you agree with our proposals to ensure accessibility of the end-of-contract notification?**

Yes. Agreed. We fully support these proposals on accessibility.

**Question 19: Do you agree with our implementation proposal for annual best tariff notifications to be sent only to end-users who are outside of their fixed commitment period?**

Yes. Agreed that this should be limited to these end-users only, otherwise it would be confusing for customers.

**Question 20: Do you agree with our proposed implementation of the requirement to send annual best tariff notifications by specifying that providers must inform end-users of: a. the fact that they are not within a fixed commitment period for the relevant contract or contracts; b. the services which the provider currently provides under that contract or contracts; c. any applicable notice period(s); d. details of other contracts the end-user has with the provider; e. the monthly subscription price(s); and f. the options available.**

Yes. As with end-of-contract notification, we agree that notifying customers of all the options available gives useful information to the customer that allows them to exercise choice and to fully engage with the market.

**Question 21: Do you agree with our proposed implementation of the requirement to send annual best tariff notifications by specifying that providers must inform end-users of the provider's best tariffs and with our draft guidance for subscribers on residential contracts that:**

- a. providers should give residential consumers at least one and up to three best tariffs;**
- b. the tariffs should be based on similarity to the consumer's previous usage where relevant, and otherwise based on service packages that are most similar to what the consumer currently receives;**
- c. one tariff should be the cheapest tariff available to the consumer receiving the advice;**
- d. one tariff should be the cheapest tariff available to any consumer (if not the same as in (c));**
- e. one tariff can be the cheapest upgrade tariff;**



- f. one tariff should be a SIM-only tariff where the consumer has a bundled handset and airtime contract; and**
- g. tariffs should be for a bundle of services where the consumer receives them under a single contract with the provider or has financially linked or interdependent contracts with the same provider and where the fixed commitment period(s) has ended.**

No. Our response in respect of best tariff notification in paragraph 41 applies to the options for annual tariff notification.

**Question 22: Do you agree with our proposed implementation on the timing of the annual best tariff notification?**

Yes. We agree with the proposals on timing of annual best tariff notification.

**Question 23: Do you agree with our proposal to implement the annual best tariff requirements by specifying that providers should combine the best tariff information in a single notification for those end-users who have two or more contracts outside of their fixed commitment period?**

Yes. We agree that a single notification would be the best customer experience.

**Question 24: Do you agree with our implementation proposals regarding the form of the annual best tariff notification?**

No, as highlighted in our response, we have concerns about sending such notification via SMS.

**Question 25: Do you agree with our implementation proposals for the timescale within which providers must comply with the end-of-contract and annual best tariff notification requirements?**

No. As highlighted in our response, we believe that this will require significant bespoke implementation, particularly the best tariff and annual tariff notification proposals.

**Question 26: Do you agree with the way we plan to monitor the effectiveness and impact of end-of-contract and annual best tariff notifications?**

Yes. We agree with monitoring the impact to ensure that these measures are effective.

**Question 27: Do you agree with the impacts from the introduction of end-of-contract notifications we identify in our assessment?**

No. As explained in our consultation response, we consider that the impact on providers of developing and identifying the appropriate tariffs to include in end of contract notifications will involve the cost of setting up an appropriate system to do so based on usage data. This will involve development costs to link different systems of information, and this involves communications that goes beyond normal marketing communications and so will involve investment in both implementation and compliance costs.

**Question 28: Do you agree with the impacts from the introduction of annual best tariff notifications we identify in our assessment?**

No. Please see our response for Question 27.

**Question 29: Do you have any comments on the draft general conditions, set out in Annex A6 to this document? Please provide evidence in support of your views.**

We have no comment on the wording of the general conditions.