



Uswitch response to Ofcom's Plan of Work 2021/22

Public

5 February 2021

About Uswitch

- 1.1 Uswitch is the UK's leading comparison website for home services switching. Launched in September 2000, we help consumers save money on their gas, electricity, broadband, mobile, TV, and financial services products and get more of what matters to them.
- 1.2 Uswitch is part of RVU, a digital marketing business including the Bankrate UK, Money.co.uk and Uswitch businesses.

Introduction

- 1.3 Uswitch welcomes the opportunity to comment on Ofcom's proposed Plan of Work for 2020/21. Overall, we agree with the outcomes Ofcom is striving to achieve for customers. Telecommunications products should deliver for all customers and all should benefit from a good quality service.
- 1.4 Last year has proven how important telecommunication services have become. We believe there is still room for improvement in making sure the market delivers to all customers in the future.
- 1.5 Ofcom has delivered some important reforms in 2020, including the introduction of End of Contract Notifications and best annual price notifications, and the implementation of the European Electronic Communications Code (EECC). During 2021, it will be crucial to monitor the impact the reforms are making to customers and take timely action if any poor practices are identified.
- 1.6 More reforms are due from the EECC and we think Ofcom should critically review the timescales for the upcoming changes to see if some could be more ambitious.
- 1.7 We have chosen to comment on areas of the plan we see as particularly important for the customers in the coming year.

Innovation for the future

- 1.8 We agree with Ofcom that the market must support the new technology and innovation that is emerging. 5G and full fibre broadband will be two very important enablers for future services.
- 1.9 Customers still need to be educated further on how the new technologies can help their lives and buy into the need for the investment. Customers also may not see the need to take up new but more expensive products as they come on the market if they are not aware of their benefits. At the moment, there is no coordinated effort for consumer engagement on the future technologies and we think that's missing from Ofcom's plans.

End of Contract Notifications

- 1.10 It has been a year since the new rules requiring telecommunications providers send their customers notifications before their current contract comes to an end. We

strongly supported the change as it should give customers a timely prompt to look for a better deal instead of rolling on to a costly out of contract rate.

- 1.11 To help us understand how customers responded to the change, we have undertaken research to look into the effectiveness of the ECNs¹. The research found that the impact has been a mixed success. Customers do get the benefit of the prompt to action when they open and read the ECNs. However, a third of customers still do not recall or do not open the ECNs sent to them.
- 1.12 The effectiveness of ECN as a prompt is limited if customers are disincentivised to open or act on it. We have seen ECNs where subject lines are using neutral tones, presumably to limit the urgency of a call to action. Some providers have also been extending discounts beyond contract end dates, avoiding the requirement of sending a prompt for customers to act when those discounts end.
- 1.13 Our research is only a start of evaluating the effectiveness of these changes but it is clear that the ECNs do not work for all. Ofcom should define success criteria for ECNs and monitor provider behaviour closely. If the ECNs still do not deliver for all customers, Ofcom should consider outlining actual outcomes the ECNs should bring to customers to clarify the intent of the regulation.

Switching

- 1.14 As part of the implementation of the EEC, Ofcom has committed to reviewing switching between telecommunications providers. At the moment, customers have to coordinate the switch between providers themselves, which is time consuming and presents a possibility of being left without service for a period of time. As a result consumer confidence is low. Our recent research² has found that 37% of customers are still being put off from switching because of fear of going cut off for at least a day.
- 1.15 Switching between networks remains difficult for customers and more needs to be done to increase consumer confidence and perception of ease of switching. We believe only gaining supplier led switching process, with no intervention required from the consumer, would achieve this. We are supportive of Ofcom's proposals to introduce One Touch Switch for broadband and will be engaging with Ofcom and the wider industry on the proposals.
- 1.16 The Government has announced ambitious targets for rolling out availability of gigabit-capable broadband across the UK. We see switching as a crucial element in getting customers to take up new products and making sure competition continues to deliver affordable prices. At the moment, implementation of the new switching processes is not due until December 2022. Ofcom should look at these timescales with the Government's goals in mind to assess if they could be delivered sooner.

The importance of data

¹ Uswitch article ['Three million broadband customers paying £251m extra due to missing end of contract notifications'](#)

² Uswitch article ['Five million households paying £805 million more than they should for broadband due to low confidence in switching'](#)

- 1.17 Data is likely to underpin the majority of changes proposed in Ofcom's Plan of Work. The key to ensure that the changes are successful and fair to customers will be making sure customers are in charge of their data and can share it within the telecommunications market and beyond.
- 1.18 Ofcom has already made good progress on ensuring third parties get access to data on service and quality held by providers and has consulted on Open Communication that would allow customers to share their data with authorised third parties as well.
- 1.19 Data sharing work is still at its infancy and Ofcom has a long list of questions to address, some we highlighted in our response to Open Communication consultation. Ofcom commits to release next steps on the project in Q1 2021/22 but we think more commitment on industry engagement is needed.