



## **Internet Telephony Services Providers' Association**

### **ITSPA Response to Ofcom Consultation on mobile handsets**

#### **About ITSPA**

The Internet Telephony Services Providers' Association ("ITSPA") represents over 100 UK businesses involved with the supply of next generation communication services over data networks to industry and residential customers within the UK. Our traditional core members are VoIP providers. ITSPA pays close attention to both market and regulatory framework developments on a worldwide basis in order to ensure that the UK internet telephony industry is as competitive as it can be within both national and international markets.

Please note that certain aspects of the ITSPA response may not necessarily be supported by all ITSPA members. Individual members may respond separately to this consultation where a position differs. However, the ITSPA Council is confident that this response reflects the views of the overwhelming majority of ITSPA members.

A full list of ITSPA members can be found at <http://www.itspa.org.uk/>.

#### **Response**

ITSPA notes that the content of the Consultation is not something that is likely to materially affect its members as it stands. However, as a principle, there is a concern we would like to raise.

Fundamentally, the inclusion of financing hardware as part of a service into a convenient fee is not unique to residential consumers buying mobile phones. It is not uncommon to include IP handsets in a Cloud-PBX subscription, or routers in an Ethernet service for example.

Whilst this equipment is somewhat commoditised, it is not analogous to a blank iPhone purchased through a Mobile Network Operator versus acquiring a SIM-only contract and buying an iPhone from the Apple Store.

Business services often involve a proprietary wrap including, for example, bespoke configurations of hardware and varying degrees of support. There are multiple layers to the overall provision of a business service that do not lend themselves to being unbundled in the same way.

For reasons we hope are clear from such examples, ITSPA would be extremely concerned if this were the first move by Ofcom to introduce the concept beyond that referred to in the Consultation.

As an aside, ITSPA was surprised that the Consultation was not conducted as part of the recent exercise on end of contract notifications given that the perceived harm in bundled handset/air time by definition only manifests itself at the end of the minimum contract period.

If you have any questions regarding our response or would like any further information, please contact the ITSPA Secretariat on [team@itspa.org.uk](mailto:team@itspa.org.uk) or 020 3397 3312