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# Hutchison 3G UK Limited's (Three) response to Ofcom's Review of the General Conditions

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**Non-Confidential**

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# Introduction

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- 1 This is Three's (Hutchison 3G UK's Ltd) response to Ofcom's consultation on its Review of the General Conditions. The General Conditions provide the core regulatory framework that all communications providers must abide by, in order to provide their services in the UK. It implements much of the European Electronic Communication's Code in regulation, as well as reflecting other new legislation such as elements of the Consumer Rights Act. As a result, it includes a number of core consumer protections, which is what this stage of Ofcom's review focuses on. Three welcomes the opportunity to respond.
- 2 Three has long called for Ofcom to review the General Conditions, arguing that this was necessary to ensure that the regulation remained relevant and – crucially - that duplicate and archaic conditions should be removed. This was to ensure that the General Conditions did not constitute an unnecessary regulatory burden and were fit for purpose.
- 3 Therefore, Three welcomed Ofcom's commitment to review the General Conditions framework as a component of its Strategic Review of the Communications Market, published in February 2016. We also welcomed Ofcom's stated objective for this review – to consolidate and clarify the current General Conditions, as well as introduce a number of further consumer protections that will be increasingly relevant in the context of the changing communications marketplace.
- 4 This is not just a welcome exercise then, but an essential one, as it is critical that the regulatory framework keeps pace with the markets it regulates. We also note that it is imperative that this review is not a one off event. Review of regulation must be ongoing and regular if it is to be meaningful and if it is to ensure that the market is not unnecessarily held back by moribund regulation.
- 5 While Three welcomes that Ofcom has progressed this work, we are concerned that Ofcom has underestimated the resource involved to implement these changes and the time that will be needed to implement them fully in a customer friendly manner. We are concerned that in many cases Ofcom has characterised these changes as small and clarificatory, and has proposed an aggressive 3-6 month schedule for implementation.
- 6 This fundamentally misunderstands the work that will be needed across multiple systems to deliver these changes which will require, in many cases, complex and time consuming alterations to operators' systems and processes. Given the scale of the work involved Three is clear that an 18 month implementation period would be more appropriate.

- 7 Three's response is made up of some general comments in relation to what we believe should be Ofcom's priority for the review of the General Conditions. These are then followed by specific answers to the issues put forward by Ofcom in its consultation document. These set out the detail of our views on the changes proposed by Ofcom, particularly in relation to each of the core consumer protections that Ofcom identifies. These are each addressed in turn in the main response below. Answers to Ofcom's specific questions are included in **Annex A**.

### Ofcom priorities for the review of the General Conditions – Material detriment and RPI

- 8 Three believes that Ofcom should use the review of the General Conditions to affect a prohibition on in contract RPI increases in the Monthly Recurring Charge. We believe that this is justified through the work that Ofcom proposes to undertake in relation to material detriment.
- 9 Three believes that RPI increases should only be allowed in respect of non-automatic Monthly Recurring Charges, such as per minute call costs. Such costs are genuinely affected by the increase in RPI as well as other factors that often outside of the control of service providers (for example; where BT increases the cost of certain calls).
- 10 Despite some limited improvements in the information provided by service providers, mid contract RPI increases constitute an unjustified consumer harm. It cannot be right that consumers who sign up to a minimum term on the basis of a headlined monthly recurring charge are then subject a minimum of one and sometimes two increases in the level of that charge during the minimum term of that contract. Consumers expect that advertised headline price to remain unchanged, much as they expect there to be no other changes to the core terms of their contract. Ofcom now has the opportunity to put this right.
- 11 The existing position, whereby the price of a service can be increased at the discretion of a service provider and the customer is unable to cancel their service without paying an early termination fee, is materially detrimental and unfair to consumers. It cannot be fair that a customer can sign up to a 24 month contract, whereby the Monthly Recurring Charge can be increased by a yet as unknown amount during the term. The nature of RPI means that a customer cannot calculate the increase for themselves at the point of purchase and are as such unable to make a fully informed transactional decision.
- 12 This has resulted in a situation where consumers are subject to constantly increasing prices with significant barriers (both in terms of

cost and procedures) to switching to another provider. Additionally, the widespread practice of implementing mid-contract rises in the Monthly Recurring Charge across providers, means that in practice consumers have little choice but to stay where they are.

13 Responding to Ofcom's 2013 consultation, Three argued that:

- Ofcom were right to have identified that:
  - Consumers should receive the contractual bargain they signed up to and should be protected if they do not;
  - The price the consumer has to pay for services is one of the most important contractual terms and where prices rise, consumers should be able to take action to avoid paying for that increase.
  - The existing rules were ineffective and caused consumer harm. At the time Ofcom cited 1,644 consumer complaints to the regulator between September 2011 to May 2012 and over 37,000 pledges of support from public for the Which? "fixed means fixed" campaign on in contract price increases.
- Three also noted that the customer expectation had changed. Consumers expected the monthly charge to remain fixed during the minimum term as it was core to the bargain the customer believes they had entered into.
- Critically, Three also argued bringing RPI increases during a customer's minimum term specifically within the meaning of "material detrimental" would bring certainty to the market and help level the playing field across service providers. The same rules would apply without any subjectivity on what price increase is of "material detriment". This would also stop others undercutting pricing and then increasing the monthly charge by RPI mid-term to rebalance their pricing.

14 The circumstances that led Ofcom to actively consider a prohibition on mid contract RPI increases to the recurring monthly charge have not changed. More so, experience has demonstrated that RPI increases are not and cannot be a point of competitive differentiation. It is commercially unsustainable for some operators, particularly smaller, challenger operators, not to increase the monthly recurring charge in the long term when larger incumbent operators continue both to make and give effect to contractual provision for RPI increases.

15 The decisions made by Ofcom in relation to RPI in 2014 were insufficient. Ofcom must now act to put this right and prohibit mid contract RPI rises to the monthly recurring charge. Improved

transparency has not mitigated consumer harm. Ofcom must now go further and use changes proposed to the General Conditions in relation to material detriment, to ban this practice.

### Timeframes for Implementation

- 16 Three is concerned that Ofcom has fundamentally misunderstood the work that is involved in implementing these changes, characterising them broadly as minor changes. In many cases this is emphatically not the case. Much of this work will involve significant investment and complex working across multiple systems to implement. We also note that Ofcom has proposed a particularly aggressive timetable for implementation of the changed General Conditions. While Ofcom has identified a 3-6 month implementation period, it is Three's view that this will be too ambitious in practice.
- 17 The proposed changes, if implemented in totality, will require wholesale changes to be made to our core systems and processes. There is no magic switch that can be flicked to implement the proposed changes.
- 18 These challenges are exacerbated by Ofcom's proposals for these changes to be delivered simultaneously. An implementation period of 18 months is far more realistic. Instead, Ofcom must adopt a phased approach to implementation. This is explored in more detail below.
- 19 If Ofcom is unwilling to adopt a phased approach, then further consultation will be needed to assess the impact on operators. In particular, consideration must be given of the differing impact on different operators, as a result of different systems or training practices.
- 20 Three also notes that in many areas the proposed changes are unnecessarily prescriptive and will lead to an increased commodification of service offer. Although Three welcomes Ofcom's ambition to address particular, identified, consumer harms, too often both the current and revised General Conditions seek to dictate the means by which these harms should be addressed. This means reduced scope for providers to meet their individual customers' needs. Far from protecting consumers, such an approach risks leaving consumers worse off.
- 21 Three will be happy to discuss any aspect of this response with Ofcom.

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# Section 3 - Common Issues

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## General Conditions: Structure, Terminology and Definitions

- 22 Three welcomes Ofcom's ambition to introduce a more-user friendly set of General Conditions. If achieved, a coherent, reformed set of General Conditions, written with clarity and concision, will drive consumer understanding and engagement. It should also provide greater certainty for businesses, which not only will facilitate compliance but help drive innovation.
- 23 Therefore, Three is encouraged that this consultation does not just focus on the specific conditions but also seeks views on the issues which apply across the General Conditions as a whole. Three supports the proposals to introduce a short recital prior to each General Condition and a table of contents. We also agree that it is sensible to categorise the General Conditions into three groups – network functioning conditions; numbering and technical conditions and consumer protection conditions and to renumber as appropriate.
- 24 As the current General Conditions have been amended at different times, it is important that definitions are rationalised and the language – where possible – standardised and simplified. Therefore, we support Ofcom's proposal to introduce definitions of key terms as a separate Annex. Three can confirm that we have no concerns with the draft definitions provided in the consultation.
- 25 Three can also confirm that we support the terminology modification proposed, changing the phrase 'communications provider' to 'regulated provider'. By removing the need for separate definitions, this change will simplify the General Conditions.

## General Conditions: Timeframes

- 26 While Three supports Ofcom's proposals relating to the structure, terminology and definition, we have significant concerns at the proposals set out in s3.25, regarding timeline for implementation. The proposed 3-6 month implementation timeframe is wholly unrealistic and would place a disproportionate burden on all regulated providers, while not delivering the desired consumer outcomes.
- 27 This review of General Conditions was a key part of Ofcom's Strategic Review of the Communications market. Ofcom should not rush, or require operators to rush, the implementation of what will be important reforms to the General Conditions that might ultimately be at the expense of the quality and effectiveness of their implementation.

- 28 While an implementation window of 6 months may be feasible for the implementation of a single Condition, it appears Ofcom's expectation is that all the changes required of communications providers would need to be implemented simultaneously. Implementing such a wide range of revised General Conditions would have significant business impacts, requiring new training to be designed and then rolled out across our base of advisors and other staff. Furthermore, any changes to the General Conditions will require significant system changes. These changes will need to be developed, tested and implemented, with some needing to be managed across third party providers of these systems.
- 29 The precise time needed will ultimately depend on the scope and the specific wording of the revised General Conditions that are brought forward by Ofcom – but it is clear that 6 months is inadequate. We would recommend at least an 18 month window, as is currently the case with many Ofcom regulations that require system changes and additional training resource. If training or system changes are rushed, there is a real risk of customer disruption or non-compliance.
- 30 If a 6 month timeframe for implementation of the new General Conditions is imposed, significant resources will have to be diverted in order to make the changes to existing systems. Three is keen to discuss its plans with Ofcom, with particular reference to Ofcom's proposed General Conditions changes and the timeframes for implementation, to try and avoid the need for duplication and additional resource.



# Section 4 - Contract Requirements

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## Contractual Changes

- 31 Three welcomes Ofcom's changes that reflect new terms in line with the Consumer Rights Act 2015. In particular we welcome the proposal to clarify the position of Ofcom with regard to price increases, as part of the review of the General Conditions. As such we welcome the proposal to create a single condition that would contain all the main information and transparency requirements.
- 32 However, we note that Ofcom is not proposing any change to its existing policy towards mid contract price rises. The existing policy, as set out in Ofcom guidance in 2014, allows for specific increases linked to changes to RPI, as long as consumers are informed of the yearly increase at the point of sale.
- 33 Three is concerned that this approach has not worked. We consider that that any mid-contract change in the price of a service is unjust for consumers, particularly if the actual price following any rise is not stated clearly at the time of purchase.
- 34 As it is drafted the current guidance allows for service providers to increase the price of services by a percentage that is unspecified at the time of purchase and which customers cannot predict. As such, customers become tied into a long term contract at a completely unknown price.
- 35 Three has always disagreed with such price increases and has until now committed to not implementing RPI based price rises. Unfortunately, given the competitive nature of mobile telecoms, this position is commercially unsustainable where the largest incumbent operators are all implementing such increases and have suffered no detriment as the result of such increases. As a result, Three has had to abandon this approach and will be forced to increase prices in line with RPI moving forward. Three's view in relation to mid-term RPI based price increases, where customers are unable to cancel their contract without incurring early termination fees is as follows:
- At the point of sale, consumers should understand the exact price that they will be required to pay for the entire minimum term of their contract. Customers should at least be able to accurately calculate the cost of their service, throughout the entire minimum term, which is something they cannot do now, with the unknown future "RPI" increase.
  - Existing rules allow for price increases to occur and take effect without any notice being provided to customers.

## Section 4 - Contract Requirements *continued*

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- The price the consumer has to pay for services is one of the most important contractual terms and where prices rise, consumers should be able to take action to avoid paying for that increase; and
  - The existing rules are ineffective and cause consumer harm.
- 36 This consultation is an opportunity for Ofcom to address this long standing consumer harm. The time to act is now. Three strongly encourages Ofcom to implement a full prohibition on any mid-contract price rises to the monthly recurring charge, where customers are not provided with the right to cancel their contract. A full ban would give complete clarity to consumers as well as industry – as to what is and is not permissible under these circumstances.

### Material detriment

- 37 More generally, we urge Ofcom to look again at the proposed guidance (or lack thereof). Currently, this is a grey area and more guidance is needed from the Regulator as to what might constitute a material detriment. The current lack of clarity means that operators are at a disadvantage when seeking to introduce changes in terms when responding to either regulatory changes or when implementing changes to propositions.
- 38 Clear guidance on this point would help reduce both risk and jeopardy for consumers and operators, as it would enable decisions around potential changes to terms to be made with greater certainty and efficiency. We therefore urge Ofcom to provide clear guidance on material detriment as this would be a benefit both to consumers and operators. Three would also argue that changes to prices that are non-core (ie no included in a monthly recurring charge) should not be included in this definition, given that it does not constitute a customer's minimum commitment when signing up to a new contract.
- 39 We note that at s4.25, Ofcom has proposed an amendment to GC9.2 to remove the explicit reference of contracts that were concluded before 26 May 2011. We would like to Ofcom to provide clarity and guidance on how Three should treat these customers, for example whether it is Ofcom's intention that we now provide customers with updated terms as a result of these changes. We believe this is not proportionate, as these long tenure customers are very aware of the terms of their contract, and have been a party to that contract for over 6 years, long after the expiry of their minimum term.
- 40 Lastly in this regard, Three notes that Ofcom is proposing to replace the word 'user' with 'Subscriber' we are concerned that this could pose significant challenges to consistently implementing the General

## Section 4 - Contract Requirements *continued*

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Conditions, particularly where the legislative intent of the regulation requires the provider to differentiate between the 'user' and the 'Subscriber'.

### Minimum information

- 41 Ofcom have proposed amendments at s4.22 that would mandate the inclusion of any 'special and targeted tariff scheme' and any additional charges in the minimum information. Three asks that Ofcom clarify whether discounts and special tariffs for vulnerable customers are captured by under this change.

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# Section 5 - Information Publication and Transparency (GC14, GC10 and GC22)

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- 42 It is critical that consumers have access to transparent information, to enable them to make informed choices. Three has been a leader in ensuring consumers have access to clear, transparent and relevant information at the appropriate point in their customer journey – whether it is simplifying small print on an ad or providing a user-friendly, up-front and easy-to-read key facts document as part of our Terms & Conditions. Therefore, while we accept that the regulator has a role in ensuring CPs provide transparent information, the General Conditions must enable operators to innovate and differentiate.
- 43 Three welcomes Ofcom’s proposals to tackle the current overlap between General Conditions in this area, and to introduce a single, consolidated General Condition. This will provide clarity for consumers and greater certainty for CPs.
- 44 Our comments on specific aspects of this are included below.

## Publication of Service Quality Information (GC21)

- 45 Three notes that the implementation of proposed amendments to GC21 on the publication of Service Quality Information (GC21) is contingent on measures currently being brought forward as legislation in the Digital Economy Bill. Three understands that the measures contained in the Bill will clarify Ofcom’s powers in this regard. Three notes that Ofcom already has wide ranging powers under s135 and s136 of the Communications Act 2003. We request that Ofcom uses these powers sparingly and only where there is proven need.
- 46 Although Three accepts that access to accurate information is important for the regulator to be able to properly undertake its duties under the Act, responding to requests brought under s135 and s136 of the Act is a resource intensive and time consuming process for regulated providers. It is important that Ofcom only uses these powers where it is absolutely necessary and not as a matter of course where informal information exchanges may be more appropriate, particularly in the earliest stages of policy development work.

## SME customer notifications

- 47 Three recognises Ofcom’s objective in relation to the proposed new paragraph detailed in s5.16-17 - that small business customers should be notified of any differences between their tariffs and the Terms and Conditions of the wider customer base. However, for such a measure to be effective and appropriate, this new paragraph must be drafted to enable a flexible approach. In particular, we would not support any

specification as to how this is communicated, for example specifying that it must be done in writing.

- 48 In Three's case, business sales can only be made through our telesales team. As we already communicate relevant information to these customers effectively in this format, any requirement to convey information in an alternative format is disproportionate and adds an unnecessary burden.
- 49 Three would also welcome further clarity as to whether Ofcom intends this General Condition to only apply to customers who join after the changed terms are implemented, or to the existing customer base. This is currently unclear.

### Unbundled tariff numbers and information

- 50 Three welcomes the majority of Ofcom's proposals set out in s5.11-5.22, to create a single set of requirements for price transparency on unbundled numbers. Three supports the ambition of Government and Ofcom to simplify 'small print' both in consumer facing advertising and Terms and Conditions. As set out in paragraph 41, Three has been an industry leader in developing transparent and relevant communications across all stages of a customer's journey.<sup>1</sup>
- 51 However, we are concerned at the prescriptive aspects of Ofcom's approach set out in s5.18-5.19. While Three fully supports the provision of transparent information we do not believe it is the regulator's role to prescribe how this information is made available. Operators, not Ofcom, have the expertise in how to communicate with our customers. In addition, other regulation, such as the Codes of Advertising Practice, may need to be taken account of. For this reason Three believes that this expertise lies with CPs. For example, Three currently makes information available on our website, which is a format that best suits our customers' needs. In doing this we also ensure our customers receive the most up to date information.
- 52 While Ofcom does acknowledge the role of on-line information in 5.30, Three believes that there is still a risk that Ofcom's current drafting could require operators to make certain information available in unnecessary formats. We therefore urge Ofcom to reconsider its approach set out under s5.18-5.19 and to redraft to ensure maximum flexibility for CPs.

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<sup>1</sup> Our response to the Department for Business, Innovation and Skills' consultation on 'Terms and Conditions and Consumer Protection Fines Powers' (April 2016) sets this out in further detail.

Making information available (GC10.2)

53 Ofcom has proposed new terms which state that:

*“For the avoidance of doubt, this Condition does not require Regulated Providers to publish any bespoke or individual prices, tariffs or terms and conditions.”*

54 Three believes that this change introduces unhelpful ambiguity into the General Condition. Particularly, Ofcom should seek to define ‘bespoke’ in this context.

55 With regard to both GC10.2 and GC10.3 (c) which specifies conditions in relation to standard tariffs, it is unclear what information needs to be provided under Ofcom’s proposed changes. Particularly it is unclear what tariffs would and would not need to be made available under these two conditions.

56 Specifically, under GC10.3 Ofcom proposes that the service provided by the Regulated Provider needs to be made available. Three questions what Ofcom means by the ‘service provided’ in this context, noting that allowances within each tariff bundle are already made available on a tariff basis. Greater specificity is needed from Ofcom on this.

Unbundled Tariff and Personal Numbers Information Publication Requirements

57 Under the new GC10.4 and GC10.5 Ofcom propose operators should publish their access charges for unbundled Tariff numbers and Personal Numbers in a way that is accessible for consumers.

58 Under GC10.4 (b) these numbers must be given the same prominence in terms of location and format as is given to charges for geographic calls, calls to mobiles and call packages – and advertising.

59 Three does not believe this change is proportionate to the benefit gained by consumers. Three notes that these terms were only changed two years ago and prices have been made available and accessible by customers since then. There has been no change to numbers of customer complaints on this matter since these changes were made.

60 Making this information available with the **same prominence** will mean increased small print in adverts – the content of which is already subject to the Advertising Standards Authority’s Code of Practice. Three already provides customers with pre-contractual information at the point of sale, and clearly specify what numbers are included in their bundled

allowances as well as details of the relevant Access Charge. This change is not justified.

- 61 The increase in small print for Terms and Conditions in advertising copy needed to detail call changes by each number range will generate confusion and will make adverts unnecessarily long. Three believes that advertising is already a heavily regulated activity. There are standards in place to which we already abide. Ofcom is unnecessarily implementing regulation in an already regulated area.

#### Proposed Changes to GC10.8

- 62 Three does not understand the rationale for the changes proposed by Ofcom to GC10.8 or the intended benefit of any such change to the consumer. There is currently no detriment to the customer as a consequence of the customer not having this information. Three also notes that our pre-sales documentation details the services customers will receive and the charges they will be paying for each service.
- 63 Three would also like clarity on whether providers must make available only the differences between business and consumer tariffs only for the purpose of General Conditions 10.4-10.7 (Unbundled number ranges and Personal numbers) or whether this goes beyond these specified General Conditions.

#### Proposed Changes to GC10.12

- 64 In its consultation Ofcom states that helpdesk staff must be made aware of the existence and content of this condition in order for them to be able to respond to complaints and enquires, and to monitor their compliance with the requirements.
- 65 Three believes that while it is appropriate and sensible for operators to ensure advisors have access to fully documented procedures, for agents to be aware of the existence and content of this condition goes beyond what is necessary for them to support customer's queries. This will only lead to increased complexity and unnecessary training. Three already provides all the necessary training and reference points for agents to be able to adequately inform customers.
- 66 Additionally, Three notes that the description in s5.28 of the proposed changes is also not reflected in the new condition. The revisions to GC10.13 are also not clear and Ofcom needs to do further work to clarify what is meant in this Condition.

# Section 6 - Billing requirements (GC11, GC12 and GC13)

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- 67 Three has concerns with a number of the changes to Billing requirements proposed by Ofcom.
- 68 It is our view that the proposed change to GC11.1 will prove particularly challenging to effectively implement. Currently customers are credited when an overcharge is identified on their account; this ensures that the customer does not suffer detriment.
- 69 Implementing the changes as proposed by Ofcom will mean that by default providers could be in near constant breach of the amended GC. We recommend that more thought is given to these changes to avoid this from happening.
- 70 Ofcom also propose to include pay as you go customers within the definition of the end users of mobile services. We strongly disagree with this proposed change. We do not believe that there is any consumer detriment with the current position. The suggested change would represent a fundamental change to the treatment of pay as you go customers and it would place an additional burden on service providers to provide itemised billing for them. To make these changes will require significant changes to IT systems which would take significant time to build, test and implement and would not be possible under Ofcom's current timescales (3-6 months).
- 71 We would challenge Ofcom on the actual consumer detriment of the existing position with regard to pay as you go customers. We have not seen any evidence of such a requirement being requested by consumers using pay as you go services. We believe that such a change would represent regulation for the sake of regulation, with the effect of increased costs for customers with no additional benefit or consumer protection.
- 72 Further to the above, there are a number of proposed changes which require clarification. These are as follows:
- At s6.38 where Ofcom has proposed to include 'Short Messages', it must also provide a definition for what is intended by a short message. As it stands this is unclear.
  - Under Ofcom's proposed changes zero rated calls would not be itemised. This may cause issues with the treatment of non-sensitive numbers which are zero rated: As an example, calls made by recipients of in work benefit to the DWP and/or Jobcentre Plus are made on zero rated numbers. However, the recipients of such benefits are required to prove that they have made calls to these numbers, in order to demonstrate they are actively seeking work. Under Ofcom's proposed change, this would not be possible. We



request that this position is amended to allow the itemisation of non-sensitive zero rated calls on request by individual customers.

- Ofcom has also proposed amending GC11.3 to read:

*'Regulated provider shall retain such Records as may be necessary, for the purpose of establishing compliance with paragraph GC11.2 above for at least 12 months from the data on which they were created.'*

- 73 We request that Ofcom provides clarity on what this means in practice. As we understand the existing permission, service providers must have access to such records going back up to a maximum of 15 months. Is it the intention of Ofcom to amend the provision in relation to how the information is held and accessed (ie do the Records need to be held, so as to be easily accessible at all times?).
- 74 Three also notes that the proposed changes to the GC11.4 suggest that it will be possible for Ofcom to make additional changes to required Total Metering and Billing Systems on an ad hoc basis. Three does not support this proposal as it creates uncertainty. Three, like all businesses, needs to have certainty to ensure that our investment in policy and infrastructure is not jeopardised by sudden changes to regulation, made without notification and without the involvement of stakeholders.
- 75 Lastly, we do not support Ofcom's proposal to combining the three General Conditions GC11,12 and 13. It is Three's view that these are very distinct conditions which cannot be combined. In particular it is difficult to understand how GC13 which is in relation to debt collection overlaps with GC11 and GC12.

# Section 7 - Complaints handling and access to ADR (GC 14)

- 76 Three is proud that Ofcom has found us to be the joint least complained about Mobile Network Operator for the past 9 quarters.<sup>2</sup> This has been the result of an approach which places finding the right resolution for the customer at its heart and a programme of continuous improvements. We therefore have unique insight into what works best – for both consumer and CPs – when it comes to handling complaints.
- 77 Three broadly welcomes Ofcom’s proposals with regard to complaints handling and the ADR process. This includes the proposals to consolidate the current rules into a new General Condition for complaints and ADR. Three believes that this approach will provide greater clarity for consumers and industry.
- 78 Three’s views on the issues set out by in Ofcom in this section are below:

## Definition of Complaint

- 79 We note that in s7.33e Ofcom acknowledges Three’s points with regard to the definition of what constitutes a ‘complaint’. However, the definition proposed has not undergone substantive change and does not effectively address this issue. It remains Three’s view that there is a significant difference between an expression of dissatisfaction and a complaint. In the latter instance, a customer clearly expects action from their provider.
- 80 This current lack of clarity in terms of the definition of complaint causes significant compliance problems for CPs. Often cases of non-compliance are the result of unintentional misinterpretation of Ofcom’s definitions in this area, rather necessarily than actions undertaken in bad faith. Penalising operators for such actions is not fair, and can also lead to consumers forming an unduly negative impression of an operator.
- 81 In addition, there will be cases where it is not always appropriate to submit an expression of dissatisfaction to the full complaints process.
- 82 We note in this regard that s7.32 states that the complaints definition will now include customer service related complaints. It is our view that this highlights the differing interpretation of complaints, and the need to have a more specific definition. Three therefore proposes that Ofcom

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<sup>2</sup> Ofcom, Telecoms and Pay TV data, Q3 2016, [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0018/96021/Telecoms-and-Pay-TV-Complaints-Q3-2016.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0018/96021/Telecoms-and-Pay-TV-Complaints-Q3-2016.pdf)

works together with operators to bring forward a more appropriate and workable definition of complaint.

- 83 In addition, Three does not have any objection to the inclusion of customer service complaints under the definition given in s7.15a. However, as outlined above, the definition relating to complaints will still need greater clarity.

### Channels for Complaints

- 84 At s7.45 and s7.46, Ofcom proposes that all providers will have to receive complaints by phone, by post and email or webpage. This is a significant change from the current General Conditions, where communications providers only have to offer a minimum of two of these methods.
- 85 Three appreciates the need for consumers to have a range of methods to make a complaint. However we are also concerned that this approach risks being too prescriptive. A number of alternative methods – for example webchat, our My3 app and our dedicated online complaints page– are increasingly allowing customers to access customer services and make a complaint and find a suitable resolution more quickly.
- 86 While Ofcom notes that under these proposals operators would have to provide ‘at least’ those services listed in s7.45, requiring operators to continue a number of channels of communication which have reducing volumes of traffic will impose unnecessary burden and costs. We therefore ask Ofcom to include Webchat as a means of contact categorised in the list given in s7.45, allowing operators can make three methods of contact available from a selection of four channels.
- 87 Ofcom’s drafting should address the objective that consumers have a range of communications channels with their provider that meet their particular needs – as opposed to dictating the channels they use.

### Deadlocking of Complaints: Access and Transparency of ADR Processes

- 88 Ofcom’s proposals to increase minimum standards of communication around access to ADR processes are reasonable. Three supports the proposal to require details of ADR processes to be available though online billing as well as paper billing. However we would note in regard to s7.79, that this proposal potentially is in contradiction to s7.74.
- 89 While we agree with the need for discretion to identify a request to refer a complaint to an ADR provider as being spurious, in s7.74, Ofcom sets

out that providers would no longer be able to decide if a particular complaint is within an ADR providers' terms of reference. We require further clarity from Ofcom around its objectives and reasoning behind making this change.

- 90 With regard to Ofcom's concerns around vulnerable customer's access to ADR, while we agree in principle with Ofcom's proposals, we note in particular a number of the concerns set out in our response to Section 9 (paragraph 112) about our limited ability to identify such customers.
- 91 We also ask for clarification around the timeframes for this process. In s7.53, s7.55, s7.57, s7.62 and s7.77 Ofcom refer to "a fair and timely resolution to complaints". s7.69 also states that 8 weeks is a minimum standard and that the communications providers should not be prevented having a shorter timescale before reference to ADR. We therefore urge clarity around what Ofcom would define as "timely" in this context, particularly in reference to s7.69.
- 92 Three also welcomes a number of the changes set out in s7.66, in relation to the format of ADR letters sent to the customers. Ofcom's proposed changes will make this simpler for our customers and customer support teams.

### Uncontactable Customers

- 93 Under Ofcom's proposed requirements in s7.101, Step 4 states that if a provider is unable to contact a customer and a customer has not replied by the 'relevant date' then the provider may close that complaint as unresolved.
- 94 Three would ask that providers still be allowed to offer the customer ADR in these cases. We would additionally suggest that the 'relevant' date be shortened from 8 weeks..

### Concerns around the EU ADR directive

- 95 We would also encourage Ofcom to consider further how it might amend its implementation of the EU ADR directive, requiring operators to draw their customer's attention to online ADR processes that in a great many cases they are unable to access in the UK market. This provision is having a negative impact on customers, by adding a layer of unnecessary bureaucracy and confusion into the ADR process. While we recognise the limitations around Ofcom's ability to act in this regard, it would be useful if consideration could be given as to further action.

### Timeframes for implementation

- 96 As discussed above, Three broadly supports the changes proposed to the General Condition relating to complaints. However, we have significant concerns regarding the proposed 6 months implementation timeline. This is completely unrealistic.
- 97 The changes set out in Section 7, in particular the changes in training and processes, are significant, and will require staff to be trained in a number of key areas – for example on updated complaints definition and updated ADR requirements and processes. It is important that these changes are not rushed – for the benefit of industry and consumers.
- 98 Ofcom must adopt implementation over a far longer timeframe, to ensure a minimum of disruption for both regulated providers and consumers alike. Three believes that the minimum timeframe required is 18 months.

# Section 8 - Codes of Practice and OTT operators (GC14)

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- 99 Three welcomes Ofcom's goal of consolidating its Code of Practice into the main body of the General Conditions wherever possible, as well as the ambition to remove duplications across General Conditions and the GC14 Codes in doing this.
- 100 Three also welcomes Ofcom's proposals in 8.4 to remove the requirement to publish a Code of Practice for domestic and small business customers under GC14.1, given the duplication of these provisions with GC10.2 and GC10.3.

## Ensuring a level playing field for OTT providers

- 101 Three notes Ofcom's proposals, set out in s8.9-8.22 of its consultation document, for reform of Annex 3 of GC14 with reference to VoIP services. Three has long argued that Ofcom has to act in relation in VoIP services, to ensure a level playing field across industries.
- 102 Consumers' use of mobile services has moved away from traditional SMS and telephony. Increasingly it is complemented or even replaced with alternative VoIP services. Consumers are sending fewer text messages, while the proportion of instant messaging and other services has increased.<sup>3</sup> It is clear that consumers do not distinguish between a traditional telephony/SME service, and an Over The Top (OTT) service. Instead, they are focused on the outcome – i.e. the ability to have a voice conversation or send a written message. They are highly unlikely to be aware that different services use different technologies, or are covered by different regulations, meaning that they do not always have to provide the same safeguards for their customers.
- 103 There should be a greater equivalence in regulation, particularly with the increase in usage of OTT services. Ofcom needs to ensure that regulation of OTT services offers adequate protection for customers, and does not create competitive disadvantages for traditional service providers. This is not currently the case, which is why action must be taken as part of this review, to create a level regulatory playing field between communication providers and OTT providers. Therefore, as a matter of urgency, Ofcom must bring forward proposals to tackle this anti-competitive disparity.
- 104 Three acknowledges Ofcom's ambitions in reforming regulation in this area. Yet in a number of cases the proposed changes would appear to offer weaker protections to VoIP customers – not stronger. While Ofcom is right to acknowledge under 8.11 that VoIP provider have

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<sup>3</sup> Ofcom, Communications Market Report, 2016, [https://www.ofcom.org.uk/\\_\\_data/assets/pdf\\_file/0024/26826/cmr\\_uk\\_2016.pdf](https://www.ofcom.org.uk/__data/assets/pdf_file/0024/26826/cmr_uk_2016.pdf)

adopted greater transparency around network availability and access to emergency calls, this does not mean that further reform is not needed. Indeed, Ofcom is wrong to conclude that anything short of a level-playing field should be its objective.

- 105 Ofcom has the opportunity with the reform of the European Electronic Communications Code and its review of the General Conditions to review the scope of the regulatory framework and ensure a level playing field across service providers – it is important that Ofcom makes full use of this opportunity with a more robust approach to GC14.

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# Section 9 – Vulnerable Consumers (GC 15)

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- 106 Ofcom is right to note that communications are increasingly an essential part of consumers' everyday lives. According to Ofcom's 2016 Communications Markets Report; more than nine-in-ten adults now own a mobile phone, with two-thirds specifically owning a smartphone. It is therefore essential that all consumers must be able to access these services, including those consumers with accessibility needs, or those classed as vulnerable consumers.
- 107 Three will continue to work with Ofcom to ensure that vulnerable consumers can enjoy the benefits of connectivity. We therefore support many of the proposals in this document. However, we do have concerns that some elements of the revised General Conditions are too prescriptive and could create unnecessary difficulties both for providers and customers.

## Ensuring a flexible approach

- 108 While Three welcomed Ofcom's objectives in producing its GC15 Best Practice document in 2016, we raised concerns that the initial draft appeared to take a prescriptive approach – defining particular accessibility practices needed in order to meet compliance with the General Conditions. It is crucial that operators have the flexibility to meet the needs of customers with accessibility needs in the way that best suits them, taking into account their particular circumstances. As Ofcom notes, what constitutes the needs of a vulnerable customer is wide ranging, and remains difficult to define. There is a risk that a more reductive approach could reduce the tools we have to find the right outcome for the customer.
- 109 Three welcomes the majority of the proposals in GC9.15 and recognises the need for a minimum standard. However there are occasions (e.g. GC9.15c and d) when the proposals are much too prescriptive, creating unnecessary burdens for operators – for example in requiring them to publish information about otherwise internal matters, such as employee training.

## Identifying the 'end-user', and vulnerable customers

- 110 Ofcom highlights the feedback it has received from consumers relating to the difficulties in identifying vulnerable customers and those with accessibility needs. This matches with Three's experience.
- 111 Three is proud of the work we have done to support vulnerable and/or disabled consumers, particularly the work we have done to introduce Video Relay access to our customer services, changes to how Three treats bereaved customers, and the update of our internal policies to



improve identification and treatment of vulnerable customers. Three aims to provide the services that are most appropriate and do this with the minimum of impediment. However, as Ofcom acknowledges, identifying such customers can be difficult.

- 112 We therefore welcome that Ofcom has provided greater clarity on the circumstances that would likely constitute a customer being ‘vulnerable’, in particular guidance on the impact of certain life events. Nevertheless, Three notes that identifying customers that would meet these criteria would still be difficult in many circumstances – especially where the customer themselves may not recognise themselves as “vulnerable”.
- 113 Many customers, including those who might be considered vulnerable, might be reluctant to share information with their communications provider – or indeed not believe that it is appropriate to do so. Because of the inherent difficulties in identifying vulnerable customers necessary service requirements there will always be some examples of customers that we are unable to support as we would hope to. The GCs must acknowledge and reflect this circumstance.
- 114 In addition, we also note in this regard Ofcom’s proposal to adopt a new ‘end-user’ definition around the provision of services for vulnerable consumers. While we will always take reasonable steps to identify the end user and their particular accessibility needs, in a great many cases where a connection is taken out by a friend or family member, we simply will not know who the end user is – or their circumstances. Therefore, we would also urge Ofcom to recognise the limitations to its ‘end-user’ in its approach in the final GCs.

### Customer Data

- 115 Three notes that collecting and storing potentially sensitive and personally identifiable information of this type will require careful consideration around what kind of information it is right to store, and for what duration. Ofcom’s proposals would likely create additional issues around how vulnerable customers’ data is stored, and in the cases of life-events, for what duration. Three would welcome greater clarity from Ofcom of their view on this matter and their discussions with the Information Commissioners Office.

### Publishing of policies and procedures relating to vulnerable customers

- 116 Under Ofcom’s proposals s9.14, operators would be expected to establish, implement, and also publish policies relating to their provision of services for vulnerable customers. We understand that the objective of this proposal is to raise the quality and transparency of services

available to vulnerable customers. Yet the term “publish” is open to interpretation around the quality and scope of information made available. This could lead to significantly different interpretations of what information is considered publishable in this regard.

117 Three already publishes information around a number of the core provisions made on the accessibility page of our website.

118 Ofcom must consider the potential unintended consequences of this proposal.

### Widening the scope of GC15 requirements to data services

119 Three agrees with Ofcom’s proposal (set out in s9.33) that the definition of end-user ought to be broadened, to encompass those consumers making use of data-only services. As Ofcom notes in s9.22, consumers increasingly view data services to be as essential as voice services. Removing this distinction would seem to better reflect how consumers use these services.

### Timeframes for implementation

120 Three notes that under paragraph s9.24, Ofcom comments that it believes a 3-6 month implementation timeframe would be reasonable for communications providers to meet any new requirements under a revised GC15.

121 However, as noted above, Ofcom is significantly underestimating the time needed to scope, implement and embed the necessary changes into the business, including additional training resource and potential upheaval for existing customer management systems to accurately record additional information about vulnerability. This would potentially include a timeframe to review, as required under the Data Protection Act. In addition, we would note that training remains primarily a matter of employment law, rather than the General Conditions.

122 The precise amount of time needed will likely depend on the scope and precise nature of the changes in Ofcom’s final General Conditions – however, based on the proposals in the consultation Three would recommend at least an 18 month implementation window, from the point at which Ofcom’s changes to the General Conditions are settled and published. As stated previously, it is vital that reforms are not rushed. Ofcom’s current proposals not only risk creating unnecessary burdens for CPs, but also potentially impacting the quality of support customers receive.

# Section 10 - Calling line identification facilities (GC16)

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## Blocking invalid and non-diallable CLI

- 123 Three continues to recognise the distress, annoyance and harm that nuisance calls and texts causes consumers. Nuisance calls and texts also require communications providers to deploy additional resource and funding to help tackle this matter. Three therefore broadly welcomes Ofcom's ambitions to tackle this, which are set out in Section 10.
- 124 However, Three does also note that in practice it will be difficult or potentially impossible to identify CLIs that are non-diallable, given both the volume of these (as Ofcom acknowledges at s10.40), and the labour intensive processes involved.
- 125 Three currently blocks CLIs on our network and will continue to do so. However, it is inevitable that at least some nuisance traffic will reach consumers, no matter the technical solution that is eventually implemented to block some traffic at a network level. This is also acknowledged by Ofcom in s10.14.
- 126 This is why Three agrees that technical solutions will only ever be part of the answer and urges Ofcom to also act to enable consumers to be better informed to deal with nuisance contact, such as the recent work carried out with the Telephone Preference Service (TPS) for both landline and mobile customers.

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# Section 11 – Switching (GC18)

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- 127 As we have noted in previous responses, Three remains of the view that switching is fundamental to a healthy and competitive mobile market. Three has supported Ofcom's work in this regard, particularly with regard to the implementation of a long overdue Gaining-Provider Led (GPL) switching process in the mobile sector.
- 128 As such, we welcome Ofcom's proposals under s11.45-11.53, to implement a two-stage process in relation to switching, with those amends to the General Conditions with relevance to mobile switching processes only being brought in alongside its full proposals for switching reform in the mobile market. This is a sensible approach to ensure the effective implementation of switching reform.
- 129 Three will continue to work closely with Ofcom on the detail of the proposed reform. We welcome the opportunity to feed into this process, as industry input at this early stage will be crucial in enabling Ofcom to draft clear and effective General Conditions. This will not only be beneficial to industry but to consumers as well.
- 130 Three remains of the review that the switching reform most beneficial for consumers is GPL. Ofcom has brought forward evidence that demonstrates this and Government is also clear that they favour GPL switching across sectors. Therefore, we are disappointed that Ofcom are still considering an Automated PAC solution as a viable option, despite it not being as effective as GPL in tackling consumer hams.
- 131 Three is concerned that if Ofcom settle for the Automatic PAC - a halfway house solution – then switching as an issue, and the General Conditions that underpin it, will need to be revised again within the next decade. This will cause unnecessary cost for industry but more importantly consumers, who will continue to experience unnecessary hassle and harm while switching. It will also mean inhibiting the competitiveness of the mobile market. Therefore we urge Ofcom to ensure that revised General Conditions mandate GPL switching.
- 132 Three can also confirm that we support the minor proposed amendments to take into account new terminology – as set out in 11.49-11.53. We agree that in the interim, this modification will provide clarity and simplify the relevant General Conditions.

# Section 12 – Mis-selling (GC23)

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## Ofcom's proposed approach

- 133 At s12.4, Ofcom sets out its intention to bring forward reforms to the General Conditions around mis-selling in GC23, alongside its reforms to switching. Ofcom also note in s12.3 that “the majority of instances” of mis-selling arise as a result of the switching process.
- 134 Three fully acknowledges the importance of a robust approach to mis-selling, and the need to address poor practice in the acquisition process. It is Three's view that this should not be an impediment to Ofcom's important progress towards a Gaining Provider Led switching process in the mobile sector. As set out in the previous section of this response, the evidence base for change in switching is now well established by Ofcom including with regard to mis-selling.

## Ensuring Ofcom's approach to mis-selling is not overly prescriptive

- 135 Three acknowledges that proposal changes to tackle mis-selling are broadly welcome.
- 136 However, in a number of areas, Ofcom's proposals risk being over prescriptive. For example, s12.24b Ofcom indicates that communications providers:
- “should offer to provide customers with the information in writing... and should do so if the particular customer accepts that offer”.*
- 137 This duplicates existing protections, including those provided by Consumer Protection law including the Consumer Rights Act 2015 and The Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013. Indeed, the proposed General Condition goes further, stipulating that such information must be provided in writing. This would cut across current compliant practices, such as when at the point of sale in store, the customer is talked through all relevant information.
- 138 This would add further complications to the switching process and seems unnecessary, as under the Consumer Contracts (Information, Cancellation and Additional Charges) Regulations 2013 all contracts taken out online and by phone remain subject to a 14 day cooling off period. In addition, any changes to the sales process will likely be disruptive, and will take a considerable amount of time to rollout the necessary changes across our call handling teams.
- 139 Three would also welcome greater clarity around precisely what information would be required.

### Ensuring access to “Relevant Mobile Services”

- 140 With regard to Ofcom’s proposals at s12.30c, we also acknowledge the need to ensure adequate enforcement, particularly in the light of recent cases. However we are concerned that the proposed drafting which would require that customers received the “relevant mobile services that have contracted with the Regulated Provider”, are too broad and risk unintended consequences.
- 141 Therefore, Three would welcome greater clarity from Ofcom around the scope of this provision, and how it might relate to other Ofcom work-streams around automatic compensation, and how and whether this provision is intended to relate to other matters such as network coverage and outages. In particular we also note our previous concerns, set out in our response to Ofcom’s Call for Inputs on Automatic Compensation in July 2016, around the difficulties in defining where a mobile service is being ‘provisioned’ in these terms. We ask then that Ofcom clarify that the reference to provisioning in 12.30c is limited to those shortfalls identified in recent enforcement action around inaccurate billing for pre-paid services.<sup>4</sup>

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<sup>4</sup> Ofcom, Vodafone fined £4.6 million for failing customers, October 2016, <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2016/vodafone-fined-4.6-million>

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# Annex A – Answers to Specific Questions

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## Section 3 – Common Issues

Question 1: Do you agree with our overall approach to this review of the general conditions as set out in sections 2 and 3 of this consultation? Please give reasons for your views.

As set out in paragraphs 22-25 of the main response, Three broadly welcomes Ofcom's approach simplifying the structure of the document and its approach to making the document more user-friendly.

Question 2: Do you agree with our proposed implementation period for the revised general conditions of 3 to 6 months following publication of our final statement? If you think a longer implementation period is necessary, please explain why, giving reasons for your views.

Three's views regarding timeframes for implementation are set out in paragraphs 16-20 and 26-30 of the main response, with specific comments on complaints being set out in paragraphs 96—98 and accessibility in paragraphs 120-122.

## Section 4 – Contract Requirements

Question 3: Do you agree with our proposals in relation to contract requirements? If you consider that we should retain the regime applying to contracts concluded before 26 May 2011, please explain why, giving reasons for your views.

Three's views with regard to Ofcom's proposals on contract requirements are set out in paragraphs 31-41 of the main response. Three's views with specific regard to Ofcom's proposals relating to contracts concluded prior to 26 May 2011 are set out in paragraph 39.

Question 4: Are there any other modifications to the proposed revised condition in relation to contracts requirements that you consider would be appropriate?

Three's views with regard to further changes and clarification needed in regard to Ofcom's implementation of 'material detriment' are set out in paragraphs 37-40 of the main response.

### **Section 5 – Information Publication**

Question 5: Do you agree with our proposals in relation to information publication and transparency requirements, including removing the separate condition relating to publication of quality of service information?

Three's views in this regard are set out in paragraphs 42-66, with particular reference to Ofcom's proposals on service quality information in paragraphs 45-46 and 53-56.

Question 6: Do you agree with our proposal to replace the existing detailed requirements in relation to small businesses with a general obligation to ensure price transparency and to notify small business customers where the terms and conditions that apply to them differ from those that providers are required to comply with in relation to consumers?

Three's views in this regard are set out in paragraphs 47-49 of the main response.

Question 7: Are there any other modifications to the conditions relating to information publication and transparency requirements that you consider would be appropriate?

Three's views in this regard are set out in paragraphs 50-52 and 57-66 of the main response.

### **Section 6 – Billing**

Question 8: Do you agree with our proposals for updating the current conditions that relate to billing? In particular, do you agree with our proposals to extend the current protections for end-users in relation to billing so that they would apply, more generally, to fixed and mobile voice call and data services?

Three's views in this regard are set out in paragraphs 67-75 of the main response. Three's specific objections with regard to the changes described are also set out in paragraph 70

Question 9: Do you agree with our provisional assessment that our proposals to extend the regulatory requirements for billing to fixed and mobile voice call and data services does not impose a disproportionate burden on industry? Do you have any further information on the likely costs of these proposals?

Three's views with regard to the regulatory burden of these changes are set out in paragraphs 67-75 of the main response.



Question 10: Are there any other modifications to the billing conditions that you consider would be appropriate?

Three has additionally set out our views regarding a number of other billing issues in paragraphs 72-75 of the main response.

### Section 7 - ADR

Question 11: Do you consider that our proposed revised condition for complaints handling and access to alternative dispute resolution, together with our proposed revised code of practice on complaints handling, will improve the transparency, accessibility and effectiveness of communications providers' complaints handling procedures, and improve access to alternative dispute resolution? If not, please give reasons, including alternative suggestions.

As Three notes in paragraph 77 of the main response, we broadly welcome these changes. However in a number of areas we urge greater clarity (for example around definitions of a complaint) and flexibility (including around channels for communication and referral of deadlocked cases to ADR. We set these out in paragraphs 79-83 and 84-94 respectively.

Question 12: Do you have any other comments on our proposals in relation to complaints handling and access to alternative dispute resolution?

In addition to those comments above, we also note our concerns around the likely impact of a short implementation timeframe in paragraphs 96-98 of the main response.

### Section 8 – Codes of Practice

Question 13: Do you agree with our proposals in relation to the codes of practice that communications providers are currently required to establish, maintain and comply with – including replacing these with direct obligations to make information available, where appropriate?

Three's views in this regard are set out in paragraphs 99-100 of the main response. In particular Three notes in paragraphs 101-105 the need for a level-playing field around regulation of Over The Top (OTT) communications services and urges Ofcom to consider this in its approach to Annex 3 of GC14.

### **Section 9 – Vulnerable Customers**

Question 14: Do you agree with our proposals to introduce a new requirement for communications providers to take account of, and have procedures to meet, the needs of consumers whose circumstances may make them vulnerable?

As Three sets out in paragraphs 106-107, we broadly welcomes Ofcom's ambitions in this area. A number of Three's specific concerns about how this might be achieved are set out in paragraphs 108-119 of the main response.

Question 15: Do you agree with our proposals to update regulation by extending the current protections for end-users with disabilities, which currently apply only in relation to telephony services, to cover all public electronic communications services?

As Three notes in paragraph 119 of the main response widening the scope of services covered is a welcome change and on that will reflect changing consumer expectations around the importance of mobile data. We do note though in paragraphs 110-114 our concerns around our ability to identify an 'end-user' in this context though.

Question 16: Are there any other modifications to the proposed revised condition on measures to meet the needs of vulnerable consumers and end-users with disabilities that you consider would be appropriate?

Three sets out our views regarding additional changes and important clarification needed with regard to customer data in paragraph 115 and policies and procedures in 116-118. We also set out our specific concerns with regard to the timing of implementing these changes in paragraphs 120-122.

### **Section 10 - CLIs**

Question 17: Do you agree with our proposal to remove the condition relating to the provision of tone-dialling? Please give reasons for your views.

Three does not have any particular concerns in this regard, particularly noting Ofcom's comments that the provision of tone-dialling is now ubiquitous within the communications sector.

Question 18: Do you agree with the changes we are proposing to make in relation to the provision of calling line identification facilities, including the new requirements we are proposing to add? Please give reasons for your views.

Three's views in this regard are set out in paragraphs 123-126 of the main response.

### **Section 11 - Switching**

Question 19: Do you have any comments on our proposals in relation to the proposed revised general condition on switching?

Three's views in this regard are set out in paragraphs 127-132 of the main response.

Question 20: Do you agree with our proposal to remove the current provision which expressly prohibits so-called 'reactive save' activity (in GC 22.15)?

Three welcomes Ofcom's proposals in this regard, noting the context of its ongoing progress towards a Gaining-Provider Led Switching process. In this context, deregulation around the current 'reactive-save' provisions will ensure the General Conditions are applicable for this new regime.

### **Section 12 – Mis-selling**

Question 21: Do you agree with our proposal to replace the current mis-selling provisions with rules that focus on the information that communications providers give to customers when selling or marketing fixed-line or mobile communications services? Please give reasons for your views.

Three's views in this regard are set out in paragraphs 133-141 of the main response.