

Strategic Review of Telecommunications – Phase 2

Question 17: *What approaches should Ofcom adopt to reducing searching and switching costs.*

leave it to the market

As there just used to be one operator with one tariff there is no tradition of carrying out telephone residential price comparisons. No doubt, in time to come, just like people can estimate the number of rolls of wallpaper and complex spread betting, telephone price comparisons will become second nature. Until that day some assistance will be required.

Ofcom to provide comparable price information

If Ofcom were to provide price information it is unlikely that other groups would. But at this stage there is no one ‘correct’ approach. Some people may prefer a heuristic approach – do you make more calls to mobile in the morning? – whilst others may want to see savings call by call. Ofcom should encourage a range of valid approaches.

promote provision of basic information and the role of intermediaries

The current PASS scheme has not been a success – it is expensive. Rather than conduct a formal audit Ofcom should re-state its requirements for telephone price comparison sites. The sites should indicate how they comply – see www.tariffcentre.co.uk. Operators should be encouraged to provide a point of contact. Based on our experience it is very difficult to find an appropriate contact to check rates.

encourage a responsible approach to service comparison in advertising

The more price comparison sites that are established the more likely that operators will make reference to one of these sites.

restricting the range of tariff packages and structures in the market

No this would be a very backward step

bill formats

Bills should be presented in such a way that call records can be scanned and then analysed. The call records for calls that are free (because a customer has paid a monthly charge) should be provided and costed at the appropriate tariff so that users can judge if they are getting value for the monthly charge.

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