



BT's response to Ofcom Consultation  
Consumer Switching  
Consumer experience of switching mobile  
communications services and options for process reforms

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BT welcomes any comments on its position as laid out in this document.

Comments should be addressed to: Stephen Dean, BT, Newcastle Telephone Exchange, Carliol Square, Newcastle upon Tyne, NE1 1BB, or by email to: [stephen.h.dean@bt.com](mailto:stephen.h.dean@bt.com)

## **Executive Summary**

We support Ofcom's objectives of improving customers' experiences of mobile switching and increasing competition between mobile providers. As a result of BT's presence in the mobile market, we have first-hand experience of the way in which this market operates for consumers and providers, and we welcome the opportunity to work with Ofcom and with industry to find the optimum way forward.

BT is supportive of Gaining Provider Led (GPL) type solutions; however, the consumer switching experience, consistency of regulatory approach, and the avoidance of unfair asymmetry, are all far more important than whether a switching process is led by the losing or gaining provider. That said, given the implementation of a highly regulated GPL process for services provided over the Openreach network, pragmatically BT has settled on and supports GPL solutions as the most straightforward means to provide that good customer switching experience, whilst ensuring consistency and avoiding asymmetry. As a consequence, BT generally believes that switching from and to other networks and platforms should follow similar or the same GPL principles as have been implemented for Openreach-based providers of fixed voice and broadband.

In this response, we have identified a number of areas where we believe improvements could be made to the consumer experience. In addition, subject to evidence of consumer harm and proportionality, we believe the GPL principles BT supports can most fully be met by Ofcom's Option 2, where the customer contacts the gaining provider to request a port and where following receipt of information about termination charges, the customer confirms the switch via an SMS to the Central Porting System (CPS). We propose that the losing provider sends the termination information direct to the customer (as Ofcom proposes as an alternative in its Option 2<sup>1</sup>) to better follow the switching process for services based on the Openreach network.

It is important that any process changes are proportionate, delivering positive benefits for consumers without imposing undue cost or complexity on providers.<sup>2</sup>

As Ofcom themselves say, their proposals are relatively high level and indicative. Similarly, we have provided our first view on these proposals; but this view and other information in this response is at an early stage and may change as the proposals are developed.

Whilst we are pleased that Ofcom is reviewing the potential for mobile switching improvements, including introducing a GPL type process, we believe it is much more important that Ofcom prioritise their work on triple play and cable switching, where there is clear consumer harm and where the lack of a regulated process is undermining Ofcom's previous work on fixed voice and broadband switching on the Openreach network. We therefore welcome Ofcom's planned consultation on these issues and

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<sup>1</sup> Para 5.19 of Ofcom Mobile Switching Consultation Document.

<sup>2</sup> We note that Ofcom's statistics show a high number of customers rate the current mobile process as easy, and coupled with the now widespread knowledge of how the process works, this sets a relatively high threshold for the effectiveness of any improvements. See, for example, Figure 5 – "Ofcom: Consumer experience of switching mobile communications services and options for process reforms"

hope that this work can be given a strong focus so that the current competitive asymmetry and consumer harm will quickly be addressed.

## **Main Response Points**

### **Introduction**

1. We welcome the opportunity to comment on the analysis and high level options presented by Ofcom in this consultation. We particularly support Ofcom's objectives to improve customers' switching experiences. We are keen to help and will participate in relevant industry fora to ensure that the optimum outcome is achieved for both consumers and industry.
2. As Ofcom themselves say, their proposals are relatively high level and indicative. In a similar fashion we have provided our first view on Ofcom's proposals. This view and other information in this response is at an early stage and will inevitably develop as the review process proceeds. In particular, switching processes are complicated and we continue to evaluate the implementation of GPL processes for broadband and telephony. However, we hope this initial view will be useful to Ofcom in constructing a further consultation, should they consider regulatory action is necessary.
3. We agree with Ofcom that improvements in mobile porting should be just part of a series of Ofcom initiatives which includes a review of triple-play services. However, Ofcom's review of triple-play services should be given a stronger focus. In particular we are concerned about the asymmetry that is created by the lack of a regulated switching process for pay TV. For example:
  - a. customers now follow a gaining provider (GP) led process for the transfer of broadband and telephony services within the Openreach footprint, but they must still contact Sky when they want to cease their Sky pay TV service. In practical terms this means that Sky gets an opportunity to "save" customers not only in relation to their pay TV service, but also their voice and broadband, thus undermining Ofcom's previous regulatory actions, and
  - b. similarly, there is no regulated process for consumers transferring to and from Virgin Media's cable services – voice, broadband and TV – creating a further competitive asymmetry.
4. We welcome Ofcom's statement that they expect to consult on any potential solutions for triple-play bundles by early 2016. We would be concerned if this date slipped. It is essential that consumers are able to experience a uniform, seamless, switching experience for telephony, broadband, pay TV and mobile services, regardless of the underlying technology or service provider.

### Our preferred outcome

5. We have considered each of the options proposed by Ofcom to address the weaknesses Ofcom have identified. While none of the options currently address all these weaknesses, we believe Option 2 (GPL process: centralised customer validation by customer-initiated confirmation SMS), together with other improvements, over time could deliver the basis of a solution which is better for consumers.
6. The main reason we consider that Option 2 is preferable to the other options is that although all the options do not require the customer to contact the losing provider, only Option 2 allows for the customer to choose to ask the gaining provider to initiate a switch. This option therefore most closely aligns with BT's practical support for GPL type solutions, as it is the most similar of the options to the processes for fixed voice and broadband switching on the Openreach network.
7. Option 2 should, in our view, be one of several developments in a package of switching improvements. We would also need to see the full detail of a reworked and developed Option 2 processes, including those for bulk migrations used in the business market, and assess its costs and benefits against the current MNP<sup>3</sup> process. We regard this as particularly important as Option 2 potentially brings the biggest change to industry process.

### An improved option 2

8. The current option 2, as defined in the consultation document, operates as follows for singleton migrations:
  - i. Customer contacts GP to request a port.
  - ii. GP validates customer identity and sends request to the CPS.
  - iii. CPS confirms request to LP.
  - iv. LP provides ETCs payable and other relevant information to CPS to forward to the customer (or alternatively could text this directly to the customer).
  - v. Customer makes decision to switch and sends confirmation SMS to the CPS.
  - vi. CPS matches GP porting approval request with the CLI and other authentication information presented in the customer confirmation SMS.

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<sup>3</sup> MNP: Mobile Number Porting

- vii. Provided it finds a match, CPS confirms the porting request as initiated and validated, and sends to LP for approval and confirmation of the porting date.
9. Our suggested improvements to Option 2 are included below. Annex A contains a diagram showing these suggested improvements.

### **Verification**

10. In step 2 it is essential there should be two-factor verification between the CLI<sup>4</sup> and some form of data personal to the customer (“Personal Identifier”), to protect against slamming or any kind of fraudulent or malicious activity. This Personal Identifier could be the account number or another piece of information readily known to the customer.<sup>5</sup>
11. As the Personal Identifier is held by the LP, the GP would need a method of accessing this, or a central database of information would be needed. This would need to be compliant with data protection regulation. As we note later in our answer to question 5, centralised databases are, in our opinion, likely to cost more than Ofcom’s current estimates.

### **ETC information**

12. We support the delivery of ETC information by a single text or chain of text messages from the LP and not the CPS, see step iv. above. The text should also be allowed to contain a link to a generic or personalised webpage and an LP contact number for enquiries.

### Other improvements to aid switching

#### **Handset unlocking**

13. At this stage BT does not have sufficient experience of the issues around handset locking / unlocking, to enable it to comment on the impact that locked handsets may have on switching. To the extent that there are concerns, BT would support Ofcom, through discussion with industry, in establishing a voluntary code containing standardised processes, consisting of SLAs, clear unlocking rules, and predictable charges.

#### **Improvements to the MNP process**

14. As the existing MNP process remains the underlying process behind all the proposed Ofcom options, it would help to make a number of improvements.

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<sup>4</sup> CLI Calling Line Identifier – the mobile phone number

<sup>5</sup> A possible alternative solution of an industry code is explained in our answer to question 4.

Potential improvements include longer porting “opening hours”, better provider contact information, and better processes to handle customer affecting switching failures.

### **Cease and Re-provide:**

15. Although the consultation is primarily about porting, we have considered the impact of the different options proposed by Ofcom on customers who choose to cease and re-provide without porting. In general, all the proposed processes could be adapted for customers who don’t want to port their number and we have supplied more detail in our answer to question 3.

### **Consultation Questions**

*Q1: Do you agree that current mobile switching processes impair the consumer switching experience through increased switching costs, coordination difficulties, loss of service, uncertainty of porting status or risks of unwanted save activity? What benefits do current processes deliver which would be difficult to achieve through alternative processes?*

16. Like most complex activities, there are potential improvements that can be made to the end-to-end mobile switching process. There is also further information in our answers to questions 3 and 6.

#### *Increased switching costs*

17. We believe that most customers understand the mobile switching process not just in principle but in practice from their previous switching experiences. As Ofcom them-selves say, 91% of customers who switched in the last two years found that switching was very easy or fairly easy<sup>6</sup>. Whether costs incurred through process problems or general hassle for consumers can be decreased by an alternative process is therefore a critical question.

#### *Co-ordination difficulties*

18. As the technical porting activity covers the interaction of the gaining and losing providers, together with the original number owner, there are relatively few co-ordination difficulties. For cease and re-provide without number port, this could be an issue for a limited time as the customer is organising the cessation of one service and the start of another, and will want to minimise any period of double-billing.

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<sup>6</sup> Para 4.16 “Ofcom: Consumer experience of switching mobile communications services and options for process reforms”

*Loss of service*

19. For customers using cease and re-provide, loss of service should be nil or minimal and is largely under the control of the customer. For porting customers, some loss of service is inevitable as the process requires changes to the network systems and routing.

*Uncertainty of porting status*

20. We agree that a process which involves the swapping over of two SIMs not at a specific time but when one stops working can lead to uncertainty. However, this can be reduced by giving customers information in advance of the switch and as it progresses.

*Risks of unwanted save activity*

21. It is possible that some customers may be put off by unwanted save activity. Whilst we do not agree with Ofcom's concerns that "reactive save" will necessarily lead to consumer harm, the main problem is the current lack of consistency in this respect between different communications services (which are increasingly provided together in bundles) and the competitive asymmetry which this creates. From both a consumer and a competitive perspective, if Ofcom believes that reactive save should be prohibited there should be a consistent approach across all services and technologies.
22. As far as benefits of the existing process are concerned:
  - it gives customers the opportunity to get accurate information about termination charges or other relevant contract conditions direct from the losing provider. The losing provider can also explain the charges in more detail than is likely to be possible on an SMS; and
  - the current process is known to customers and providers and for the majority of customers it is quick and works well. The alternative processes involve a change to the method and contact point used by customers.

*Q2: What advantages and disadvantages could GPL switching processes offer, compared to current mobile switching processes? In particular, how important is it to make it easier for consumers to switch without being required to speak to their current provider?*

23. The main advantages of a GPL<sup>7</sup> switching process are:

- depending on the detail of the process it should be a simpler customer experience as it minimises the number of customer contact points;
- it is more consistent with other switching processes, notably the process for switching voice and broadband services between providers on the Openreach and KCOM copper networks; and
- implementing an improved switching process for mobile services will leave fewer outstanding areas of switching asymmetry such as the switching of pay TV bundles and switching to and from cable<sup>8</sup>.

24. The main disadvantages are:

- Difficulties in covering the impact of cessation, including ETCs and any associated value added services and multi-product messages in an SMS message.
- The increased risk of slamming or general mischiefs unless there are effective verification processes in place.
- The cost of migrating to the new process across individual providers and the industry as a whole. This is covered in more detail in our answer to question 4.

25. With regard to customers switching without being required to speak to their current provider:

- the *requirement* of customers not to speak to their current provider is part of a GPL process. We do however see benefits in customers being able to contact their current provider on a voluntary basis to take advantage of any save offers and to understand the implications of any termination charges or loss of ancillary products that may be linked to their mobile product; and

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<sup>7</sup> GPL: gaining provider led

<sup>8</sup> BT response to Ofcom consultation “Consumer switching: Next steps and call for inputs”  
<http://stakeholders.ofcom.org.uk/binaries/consultations/switching-fixed-voice-broadband/responses/BT.pdf>



- the process for mobile should be consistent with the approach across services and technologies, as this is important for good consumer outcomes and for fair competition.

*Q3: To what extent do you think the two options we have identified address the drawbacks with current processes we initially identified? Are there other options we should consider?*

26. Although some of the issues identified with the current processes are improved or mitigated by the new Ofcom proposals, by no means all the concerns would be addressed, and it is likely that further actions will be necessary in addition to the proposed changes to the front-end process. In particular, one of the main differentiators in the type of difficulties customers experience is whether they are switching within the minimum term of their contract with their current provider or out of term. ETC charges imposed on those in the former category are an example of this type of difficulty.
27. Finally to assist Ofcom, we have answered question 3 using the same subject headings as listed in section 5 of the consultation document “Options for mobile process reforms”.

*Consumer difficulty*

28. With reference to the issues cited in section 4 of the consultation, we believe that the following will not change in all proposed options:

*Temporary loss of service:*

- Without changes to the existing technical porting process, some loss of service is unavoidable, as changes to network systems and routing is still required.

*Technical issues:*

- The existing porting process has several potential points of failure, and errors and technical issues can and do happen.
- The proposals do not remove points of failure, nor reform existing technical processes, thus we believe there is little to no scope for these proposals to in and of themselves reduce technical issues.

Delay in receiving equipment:

- Ofcom's proposals do not address issues around the availability of stock and logistics.
- BT does not perceive there to be an issue, in particular a switching issue.
- Receipt of equipment is primarily driven by the customer's contact channel and preference.
- If ordering via telesales or via the internet, timescales for receipt of equipment is generally defined by the courier or postage method used. Timescales can be heavily affected by secondary factors such as the availability of a customer to sign for equipment and building accessibility.
- If ordering through the high street, most customers will receive their equipment at point of order, unless they have chosen otherwise or stock is not available.

Cancellation charges:

- While Ofcom has not indicated that there were difficulties with cancellation charges in the 2014 Consumer Experience Report, we note that 6% of respondents cited this as a difficulty in 2013. We expect there will be a small number of customers who will always object to legitimate cancellation charges. There may be an improvement in the predictability of communication of cancellation charges in both proposals as customers can be made aware that they will receive a text message with these details in all cases.
- We believe that the method of communication may lead to increased difficulty unless sufficient clarification is provided in the message and any associated links or contact points. Under the LPL<sup>9</sup> process customers generally have the opportunity to discuss cancellation charges directly with the operator. Under the alternative PAC and GPL processes a customer will be reliant on the information sent via text.

Process taking longer than expected:

- In all options the main part of the porting process remains unchanged and in some of the options the process could take longer due to the additional interactions required by the customer based on SMS.

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<sup>9</sup> LPL: losing provider led

29. We believe that the following concerns would be addressed:-

Provider persuasion to stay (save opportunities)

- Without the need to speak to the losing provider this issue is addressed, however, it should be noted that once the customer receives their liabilities information it is likely that a proportion of customers will contact their losing provider if the charges aren't as expected or the consequences of termination are unclear.

Contacting provider to cancel service:

- Particularly with the “non-port cease and re-provide” scenario this would be true, but the customer may still want to contact their losing provider and so the point above applies.

Obtaining information from previous provider

- Without the need to speak to the losing provider, and assuming that all relevant information is automatically provided to the customer, this issue is addressed. It should be noted that once the customer receives their liabilities information it is likely that a proportion of customers will contact their losing provider if the charges aren't as expected, or the consequences of termination are unclear.

30. We believe that the following concerns could be addressed:

Knowing how to switch:

- All operators today provide advice on porting customer numbers, but there is little incentive for operators to aggressively promote that potential customers should contact their existing provider prior to commencing a switch.
- Under the proposed alternative PAC process, operators may choose to promote the process by which customers can obtain a PAC.
- Under the proposed GPL process, operators may choose to promote that they will handle the switching process end-to-end.

Paying for two services:

- It may be possible to avoid such charges and to co-ordinate the start and stop dates when a customer is out of contract, and especially for the “non-port cease and re-provide” scenario.
  - We note that it is a general industry practice to require a minimum notification period before a contract can be fully terminated, and that customers will still need to consider their contractual commitments when arranging for a port or non-port cease and re-provide and instruct their gaining provider accordingly.
31. We consider the following items listed are not necessarily process flaws but “by-products” of a decision to change provider.

Waiting for contract to end

- While most mobile services are provided with a contract, there are pre-paid services available that customers may adopt if they do not wish to enter into a contract or enjoy the benefits assured with longer tenure.
- Adhering to minimum terms (or, alternatively, early termination fees) may be perceived as frustrating if a customer wishes to adopt a new offer immediately, but they do not in themselves complicate the process of switching beyond customers adhering to terms they have chosen to enter.

Provider sending bills for cancelled service

- It is appropriate for the losing provider to send a final bill to the customer, and the customer would expect this to be the case.
- Post-paid services require collection of some dues after the event. These may include, but not be limited to, a customer’s use of service outside of or excluded from their contractual bundle, such as roaming services and premium rate calling.
- In addition, if a customer has chosen to exit their contract early, operators are correct in charging for ETCs.

Losing content

- There are a number of situations where a customer’s data stored on a device may need to be backed up and / or transferred between devices, even where switching is not involved. Housekeeping of device stored data is essentially a customer issue.

### Comparing offers

- A key part of making the decision to switch is comparing offers. Whilst comparing offers may take time, it is not a part of the switching process itself.
- We note that Ofcom: (a) supports the process of comparison; and (b) accredits a number of comparison websites.

### Keeping phone number

- We do not believe that this concern is applicable to the mobile industry, which has a clearly defined process for moving numbers between providers.

### *Customer complaints*

32. We believe that the following complaint types could be addressed:

#### PAC incorrect

- Under Option 1b this issue could be reduced through the removal of person-to-person interpretation between the LP and the customer (i.e. mishearing or incorrectly recording a PAC). However, this issue may still occur through person-to-person communication between the GP and customer.
- Options 1b and 2 also rely on the CPS being able to identify the correct losing provider, depending how this is achieved it could lead to as many or potentially more errors.

#### Unable to keep number:

- This may be a perception issue (e.g. incorrect or unverified PAC) or due to agreements not being in place between certain operators.
- We don't believe this will significantly change as a result of any of the new front-end process proposals but any change in mechanism may improve adherence to the back-end porting process which would help.

33. We believe that the following complaints would be addressed:

Difficulty obtaining a PAC:

- As the PAC is obtained without the need to speak to the losing provider this should reduce most of the difficulties in obtaining a PAC.
- There are cases where it is not appropriate to give the customer a PAC and these will still exist. Under Options 1b and 2 it is not clear how these scenarios would be policed and managed.

34. We believe that the following complaints will not be addressed:

PAC charge

- We assume this refers to early termination charges/liabilities, which are not addressed in any of the proposed options.

Process at fault

- The underlying porting process is not changed by any of the options but the front-end process does change, potentially bringing some improvements. However, we believe there is a possibility of increased process-at-fault errors through additional failure points. These failure points could occur in the additional communications between customer or gaining provider and CPS and between CPS and losing provider and customer.
- In Option 1b in particular, there is a risk that the customer would not know who would deal with a failed PAC request. It could be either the CPS or the losing provider. The customer would need to have a clear understanding of who to go to resolve problems.

Handset Locking

- This is the biggest cause of complaint in figure 9 and is not addressed by any of the proposed options.

PAC refusal to supply

- Whilst Options 1b and 2 may remove this depending how the CPS validation is implemented, there are cases where it is not appropriate to give the customer a PAC under the current process. We assume these will still exist, however, it is not clear how these scenarios would be policed and managed.

### *Multiple switching processes*

35. In principle we support a unified switching process as, depending on the detailed implementation plans, it will improve the customer experience.
36. The options proposed do not directly address this issue but we believe that the current mobile number porting process could be changed to include a “retaining number” indication such that the process could be adapted to support “cease and re-provide”.

### *Continuity of service*

37. This issue is mainly about the cost of double billing which as noted in the consultation document, isn't removed if a customer wishes to switch before the expiry of notice period. In many cases double billing is customer led, e.g. when a new phone model is launched, and a customer wishes to move provider prior to completion of their contractual term. The proposed processes do not address this issue.

### *Lack of awareness*

38. If at the time a customer makes a decision to switch, the customer is unaware of the ETCs that would have to be paid following completion of a switch (for example, because the customer has forgotten), it is important that the customer is reminded of the ETCs, so that the customer can reassess the switching decision, before the switch completes. This is an issue common with all switching cancellation and ceasing scenarios. We ensure our customers are informed of ETCs at point of sale, and this should be common across the industry.

### *Content of devices*

39. Consumers can protect against a possible loss of content on devices through general housekeeping. Advice on how to do this and tools to use are available from different sources, e.g. device manufacturers.

### *Insufficient customer consent*

40. We feel that this becomes a potentially significant issue with Options 1b and 2 without the appropriate checks. In both of these options the customer makes contact with a party other than the LP and there is a reliance on information passed by the customer.
41. Whilst the liabilities SMS provides some protection, this does not alone prevent fraudulent, malicious or mischievous (e.g. golden numbers) requests being made, for example in the case of a lost and stolen handset. Some form of

“cancel other” like process would be required to enable a customer to stop the process in the event that they did not intend to switch.

42. As with the process for fixed and mobile switching within the Openreach footprint, some form of positive acknowledgement or record of consent would be needed to confirm the customer’s wish to switch, e.g. phone, SMS, PIN, which of course adds to the complexity of the customer process. Methods for addressing this issue are discussed in our response to question 4 below.
43. If the mobile number porting solution is to be adapted to support “cease and re-provide” switching then the process needs to support data SIM only services which do not support SMS.

*Q4: What mechanisms could these processes use to ensure that consumers are adequately verified, and protected from being switched without their consent or knowledge? What mechanisms could be employed for ensuring that consumers are adequately informed about the implications of their decision to switch?*

44. Since the processes referred to are used for moving provider and ceasing customer accounts rather than more minor in-life changes, it is essential both for the customer and the provider to verify that the customer is who they say they are.
45. Where a PAC request is made via an IVR or by SMS, (as in Options 1a and 1b), at a minimum, the customer CLI needs to be recognised and the LP identified.
46. We recognise that in some cases the user of the SIM, the “SIM Holder” may be different to the owner and payer of the account and contract the “Account Holder”.
47. Where the account covers more than one SIM, we believe that it is the Account Holder, who may or may not be the SIM Holder, who has to be verified and who requests the port.
48. This would necessitate the supply of additional Personal Information to ensure that the Account Holder is requesting the switch (and conversely, that the SIM Holder needs more than just the SIM to initiate a switch).
49. Personal information could be spoken or input to the IVR although there would need to be adequate safeguards if the IVR fails to recognise the information submitted. In addition any process would need to deal with situations where there is more than one SIM per account or where there may be no Personal Information such as with some pre-pay SIMs.



50. As the customer is required to provide information which is known only to their current provider, there will need to be a method for the CPS, or the GP, to confirm this with the LP. With the addition of a unique code for each customer on the customer's bill or other correspondence, the CPS or GP could route the request to the right LP without the GP or CPS requiring access to a central database.
51. A further development based on a unique code could enable the CPS both to verify the customer, without access to the LP, and also identify the LP. This method would require a central database and a process for handling customers who have lost or forgotten their code.
52. Without a verification process requiring a CLI and backed up by personal data or a unique code, there is not just the risk of fraud but there is the danger of other harm such as attempts to obtain golden numbers or basic mischief being suffered by innocent customers.
53. After the verification process, the customer will receive an SMS with information about termination charges. The receipt of this by the customer gives some protection as it could act as a warning that someone was requesting a PAC or had initiated a switch (as per Option 2). However if this switch was not requested by the customer, providers would need some form of "cancel other" process to protect both the customer and the losing provider. This would need to be regulated in the same way as the Cancel Other process for fixed voice switching, i.e. the facility should only be able to be used in certain prescribed circumstances, to prevent LPs from cancelling switches unfairly.
54. With regard to the mechanisms for ensuring customers are adequately informed about the implications of their decision to switch, in principle we believe one or more concatenated SMS could deliver this information. As this necessarily brief SMS might require further explanation we would also want the option to include a link to either a generic or personalised web page with further details. The SMS should ideally include a contact method, e.g. a telephone number, for the customer to contact the losing provider if they wish.

*Q5: Do you have any comments on the indicative costs of the options we have considered in this document?*

55. It is not possible for us at this time to give a detailed assessment of the costs estimated by Ofcom. This is because some of the costs are unknown at the moment, for example any costs we would incur as a result of the relationship between MVNO and MNO, and because of the high level design of the options. Ultimately if the financial cost of the proposals is not proportionate to improvements in the customer experience then they should not be adopted.

56. Our general assessment is that the cost ranges suggested by Ofcom are in the right area, with the following points:

- This is an early view and may change particularly for Option 2 where the process is potentially more complicated.
- CPS costs are likely to be significantly understated i.e. where a central database is needed to verify customers.
- Ofcom have suggested the bottom of the range is appropriate for MVNOs and the top for MNOs; our assessment is based across the whole range regardless of being an MNO or MVNO.
- We expect the CPS costs will actually be funded from MNOs and indirectly MVNOs. We have not included these costs in our assessment of the impact on BT.

#### Option 1a

57. For reference, the Ofcom supplied ranges for option 1a are CPS set up costs approximately £400k, CPS incremental operational costs <£100k pa, individual operator set up costs between approximately £500k and £1.5m and individual operator incremental operational costs of between £50k and £150k pa.

58. The main cost for a provider with this option is the IVR capability and many operators, including BT, already operate IVRs. Therefore, for this option, we anticipate costs to be within the Ofcom ranges.

#### Option 1b

59. For reference, the Ofcom supplied ranges for option 1b are CPS set up costs approximately £500k, CPS incremental operational costs <£100k pa, individual operator set up costs between approximately £400k and £1.2m and individual operator incremental operational costs of between £50k and £130k pa.

60. There are 2 parts to this option that affect the costs:

1. How are the customer and their current provider identified? i.e.:
  - 1.1 By information from the customer, e.g. CP code, or
  - 1.2 CPS central database
2. How does the notification from the CPS to the LP work? i.e.:
  - 2.1 Unsolicited notifications to the LP or
  - 2.2 LP required to poll for notifications, i.e. similar to current mechanism for port out notifications.

61. For 1.1 we estimate the costs, would be within the Ofcom range for both operator set- up costs (Ofcom range: approximately £400k to £1.2m) and incremental operational costs (Ofcom range: approximately £50k to £130k pa).
62. For 1.2, we estimate the costs for the CPS are significantly higher than the Ofcom range (Ofcom range: approximately £500k set up and <£100k pa) if the CPS requires the establishment of a central database. This solution would also have an impact on service providers as a feed would be needed into the CPS to ensure the central database is up to date. In addition, whilst switching requests would be handled by the CPS, service providers would presumably need to update the CPS database for new customer provision and ceases without<sup>10</sup>, or prior to, any switching.
63. For 2.1, we estimate that the costs to the CPS and the operator are within the Ofcom range (Ofcom range: CPS set up approximately £500k, incremental operational costs <£100kpa, individual operator set up costs approximately £400k to approximately £1.2m, Individual operator incremental operational costs £50k to £130k pa).
64. For 2.2, polling would need to be frequent to maintain the desired customer experience. We estimate that the development and delivery costs, the CPS costs and the operator costs will be within the Ofcom range (Ofcom range: CPS set up approximately £500k, incremental operational costs <£100kpa, individual operator set up costs approximately £400k to approximately £1.2m, individual operator incremental operational costs £50k to £130k pa).

## Option 2

65. For reference, the Ofcom supplied ranges for option 2 are CPS set up costs approximately £600k, CPS incremental operational costs <£100k pa, individual operator set up costs between approximately £400k and £1.2m and individual operator incremental operational costs of between £50k and £130k pa.
66. This option has the least clarity and again there are different elements that would affect costs:
  1. How is the customer and their SP identified? i.e.:
    - 1.1 By information from the customer, e.g. SP code, or
    - 1.2 CPS central database.
  2. How does the notification from the CPS to the LP work? i.e.:
    - 2.1 Unsolicited notifications to the LP, or
    - 2.2 LP required to poll for notifications, i.e. similar to current mechanism for port out notifications.
  3. How does the existing MNP process work without some notification to the GP? i.e.:

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<sup>10</sup> If the central database holds all MSISDNs and the current service provider and the customer ceases service without switching, the service provider would need to update the CPS database.

- 3.1 Unsolicited notifications to the GP, or
- 3.2 LP required to poll for notifications, i.e. similar to current mechanism for port out notifications.

- 67. For 1.1, we estimate the costs, as suggested by Ofcom, would be within the Ofcom range for both operator set-up costs (Ofcom range: approximately £400k to £1.2m) and incremental operational costs (Ofcom range: approximately £50k to £130k pa).
- 68. For 1.2 the costs suggested above for the CPS are significantly under-estimated for the same reasons outlined in Option 1b 1.2 above (Ofcom range: CPS set up approximately £600k, incremental operational costs <£100kpa).
- 69. For item 2 the customer implications mean that the costs of 2.1 and 2.2 would be the same as discussed in our answer to Option 1b above, i.e. within range (Ofcom range: CPS set up approximately £600k incremental operational costs <£100kpa, individual operator set up costs approximately £400k to approximately £1.2m, Individual operator incremental operational costs £50k to £130k pa).
- 70. For item 3 we estimate the development and delivery cost for this solution would be within the range suggested by Ofcom. However this is a rough estimate largely because of the uncertainty of the solution (Ofcom range: CPS set up approximately £600k incremental operational costs <£100kpa, individual operator set up costs approximately £400k to approximately £1.2m, individual operator incremental operational costs £50k to £130k pa)

*Q6: Do you have any other comments in relation to the matters set out in this consultation?*

#### *Handset Locking*

- 71. We welcome Ofcom's inclusion of handset locking in their current Monitoring and Enforcement Programme covering mobile Communication Providers. BT Mobile has seen two particular types of handset locking issue raised by customers: however, its experience is limited:
  - A locked handset may only be apparent to customers after they have ceased service with their old provider and have activated their SIM with a new provider.
  - No common processes or charges set by the losing provider for unlocking handsets. This is a hassle for the customer and also for the gaining provider trying to help customers.

72. We would therefore support Ofcom in researching this area. For example it may be effective to have a voluntary industry code which promotes a standardised process, consisting of service level agreements, clear unlocking rules, and predictable charges.

*Timescales for completion of a switch/port*

73. It is important to have a consistent consumer switching process and experience across all services and technologies. However, it is currently possible to change a mobile provider within a couple of working days, whereas the regulated switching process for switching between voice and broadband providers within the Openreach footprint takes at least 10 working days to complete, due to the need to, amongst other things., wait for a letter to be sent by the LP and for the customer to receive this and change their minds if necessary. It would seem a retrograde step for consumers if mobile switching / porting were to be slowed down as a result of these proposed process changes. CPs will need to find ways to offer consumers a choice as to whether they want the switch of all four services to be synchronised, or whether they prefer a quicker mobile port / switch with the other services being switched separately.
74. Ofcom and industry should give further consideration to these timing issues during the course of Ofcom's next consultation on bundled switching.

*The current mobile porting process*

75. We have identified a number of issues with the current mobile porting process;
- The working hours for the porting process as defined in the MNP process are currently 9am to 5pm Monday to Friday. This needs to be expanded, particularly into weekends as customers in both the consumer and business segments in all industry sectors increasingly require extended levels of opening hours.
  - Similarly, as defined in the porting process manual, the exchange of port files between network operators takes place between 11am and 4pm, Monday to Friday and all ports are expected to be completed by this point. This window may have been sufficient for the volume of ports being completed when the process launched in the year 2000 but with today's volumes it is rare that all ports are complete by 4pm. Some networks switch off their porting routines past 5pm as they are not mandated to process port files past this point. The window for the file exchange needs to be increased on each working day and to include weekends, to allow greater volumes to be processed on the port date, and providers required to operate these processes over a longer period of time. An extension may also increase the success rate of ports on the allocated day and therefore improve the customer experience.

- The Syniverse site holds the contact information for all CP's in the Mobile Number Porting (MNP) process. There is no requirement to keep this information up to date or even provide a contact number, email address or escalation point. Where information on the site is out of date it can be very difficult to make contact with another CP to query a port leading to customer dissatisfaction.
- There are no industry SLAs to accept, investigate, or resolve a fault. Some CPs will respond to emails within a couple of hours whereas others will take a few days. This inconsistency makes it difficult to assist customers effectively.

*The relationship between MNO and MVNO*

76. The commercial and operational agreements and processes between an MNO and MVNO will need to accommodate any changes proposed by Ofcom. Where, for example, there needs to be polling of a central database or the CPS is notifying a customer request to a losing provider, the MVNO may have to rely on the MNO to deliver to service level standards.

*Geo Numbering*

77. Finally, although outside the scope of this consultation, fixed mobile convergence will lead to numbers being seen as a common resource across different technologies. Customers will want to retain their number of choice in an FMC world and we need to be able to offer them the option to choose which number they wish to retain and the technology they wish to port their number to. Consequently porting those numbers between technologies should be a long term objective. Moving away from an LPL mobile porting process is a small step in aligning with the GPL fixed porting process giving customers a consistent experience, and is therefore welcome.

***British Telecommunications***

***October 2015***

**Annex A – Suggested Option 2 with enhancements** (subject to review of Ofcom final proposals)

