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Dear Shaun

Re: Mobile switching cost assessment

Thank you for your invitation to provide feedback and comments on the revised cost estimates in the proposals to reform switching of mobile communications services.

First of all The Phone Co-op, as a small MVNO, supports the introduction of a Gaining Provider Led (GPL) switching process. We consider it very important to ensure that the consumer is able to switch between providers with ease and without breaking up the sign up process seeking a PAC. In addition, with the increase in multiple bundles (line, broadband and mobile), the consumer needs to benefit from consistent switching rules.

The Phone Co-op also agrees that notice for leaving starts when the losing provider is notified the customer wishes to leave and ends when the switch takes place.

The Auto-PAC Process (especially variant 2 or LP variant), even with the consideration of an instant PAC, does not provide the advantages outlined above because the consumer still has to contact the Losing Provider (LP); it still can break up the switching process.

### **Early Termination charges**

We understand the importance for the consumer to be given timely advice of any early termination charges (ETCs) once the PAC is requested, or the order is placed (whatever switching method). However the assumption is that the MVNEs would develop the functionality to deliver the real-time information on ETCs on behalf of MVNOs. ETCs are based on retail information that remains between the customer and the losing provider. As an MVNO, we do not provide retail information to our MVNE. We do not think it necessary that a new process has to be put in place to replicate, and continuously maintain, this information on the MVNE platform when it already exists on our billing platform. Many MVNOs will work with a different billing platform to the MVNE so that the customer tariff is independent of the MVNE and they are able to offer different services



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from different suppliers. The Phone Co-op is an MVNO on the EE network and Transatel is our MVNE but we also sell services using the Vodafone, and in due course, the O2 network supplied by Daisy Wholesale. This is a key differentiator.

Maintaining retail information with our MVNE presents several additional challenges:

1. A business customer might have more than one connection on different networks on the same contract.
2. A single consumer or a connection as part of a business contract may switch networks mid contract
3. It limits the contract to just mobile whereas a provider needs the flexibility to develop multiple product contracts.

### **Costs**

It is difficult to verify the numbers without more detailed understanding and within the timescales I have at hand. However I can comment the following:

Clearly with any process change there would be training costs; however such a process change (whichever process is chosen) is not significant and wouldn't be costly for a small MVNO. It appears this has been listed as the main source of cost for the small MVNO so it may be exaggerated. There would also be added time (i.e. cost) saving benefits in the GPL process because the need to send out PACs would be removed.

The creation and communication of the ETC is carried out manually at the point of closure (even if the calculation is automated). If the whole process has to be automated between the billing system and MVNE the cost of this and reorganisation of customer data within the billing system prior to automation could be onerous. Adding in a web-link for instant communication would also be very costly. These costs have been underestimated.

More reasonable would be independent communication of the ETC direct from the LP to the consumer within a regulated timescale (e.g. by the end of the day). On-going costs to maintain the MVNE platform would be removed (assuming the stated on-going costs are incremental to business as usual) and set up of the ETC process simplified.

I hope that this response is helpful and I would be happy to discuss any point further.

Kind Regards

Fiona Ravenscroft

Head of Products and Systems  
The Phone Co-op