

# SME Experience of communications services

Focus on SMEs facing problems of availability, reliability and switching

18 June 2015

A decorative background graphic consisting of several overlapping, curved shapes in vibrant colors: orange, yellow, blue, purple, green, and pink, creating a dynamic, abstract design.

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# 1. Executive Summary

## 1.1. Objectives & Approach

Qualitative research was conducted to follow up on a number of respondents participating in the 2014 SME experience of communications services quantitative survey conducted in the spring of 2014<sup>1</sup>. The quantitative research revealed that whilst the majority of SMEs felt their business was well served by the communications markets, a proportion (15%) felt their business to be hampered by the lack of services.

A total of 38 qualitative telephone interviews were conducted, focusing on those in the 15% of SMEs who felt that their business was hampered and were willing to be re-contacted. Within, and in addition to, this sample we also targeted businesses experiencing additional service issues with their landline or internet service in the last 12 months and/or those that had experienced issues when switching providers.

The main objective of this follow up qualitative research was to gain a deeper and more detailed understanding of how businesses felt their growth had been hampered by their communications issues. We were also interested in exploring specific issues around reliability and switching to better understand their impact.

The research was therefore deliberately aimed at these sub-groups and is not intended to be representative of the SME market as a whole.

## 1.2. Key Findings

### Lack of available Superfast Broadband

The key product or service that participating SMEs claim hampers business growth is the lack of availability of superfast broadband connections; it was deemed an essential utility to many businesses, rather than a luxury.

Among this audience, access to sufficiently fast broadband is seen as an essential business tool, with slow speeds believed to make it difficult to run a business effectively in today's increasingly digitalised world. The detriment experienced is wide-ranging and considered to be significant to business performance.

The research suggests that speeds of 2MB are deemed insufficient by participants. Within our research sample many are receiving speeds lower than this (some always, some occasionally) although there were others receiving speeds of around 2MB and above who still considered their operations hampered by their connection speeds.

For the vast majority of the businesses included in the survey, fibre is not available in their area and the alternatives (i.e. satellite or leased lines) were deemed too expensive. Most were willing to pay more for faster speeds.

Those in businesses parks, rural/remote rural areas and nations outside of England appeared to be particularly affected by a lack of sufficient broadband speeds and there was a sense of unfairness that other areas/populations (e.g. residential) are perceived to be given priority for rollout.

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<sup>1</sup> [http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme\\_research\\_report.pdf](http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme_research_report.pdf)

## Internet Connection Reliability

The reliability of connection can also be a major issue for some businesses over and above issues around speed. Sometimes these go alongside speed, appearing to be linked to dated infrastructure, although on other occasions the speed can be just about acceptable but the reliability is poor. Reliability is an umbrella term used to describe variable speeds, persistent loss of connection (often linked to weather conditions and aging connections) and ongoing faults.

Reliability issues can cause more tangible 'detriment' to business than speed issues alone since they can directly be traced to a loss of bookings, revenue and/or even inability to operate. The frustration caused by reliability issues are exacerbated when coupled with poor processes and/or customer service on the part of the provider.

Alongside the more tangible business issues experienced as a result of a lack of sufficient broadband speed and reliability are the "softer" types of detriment including stress, lack of productivity and a general sense of losing control. Dealing with internet problems is seen to detract from time spent on their core business activities. Few businesses call in an IT support business or have a backup connection as a solution to the issues they experience.

## Lack of Knowledge

Lack of knowledge appears to be widespread amongst decision makers in the smaller SMEs and appears to exacerbate issues experienced including their lack of understanding of the terms and conditions within their contracts, feelings of mis-selling and a general lack of ability to effectively assess the options available to them.

If an issue/problem has been experienced previously this can trigger the SME to better educate themselves next time to avoid similar issues emerging, however, there is a sense that you have to work relatively hard to find out what you need to know.

There is evidence that on occasion this lack of knowledge can restrict a business's ability to access the optimum product for their needs, even when 'availability' is not an issue. Businesses would like providers to do more to assist them in finding the 'right' product, there is a sense that the way products are currently sold (the confusing landscape and the focus on product features not needs) hampers their ability to make choices.

## Switching

Switching is typically triggered by a combination of product performance and cost issues. The perception of poor customer service and handling of their issues can act as the final tipping point to switch.

Among those experiencing issues during the switching process, typical issues include:

- Lack of knowledge combined with perceived product vagaries. The lack of clarity around the actual speeds they will receive (rather than 'up to' speed) makes it hard for businesses to understand whether they are comparing like with like and whether switching would improve their situation. Providers need to explain upload as well as download speeds and what that means to customers.
- The expectation that you would start a new contract when taking over a business.
- Difficulties porting the landline number
- Loss of service &/or issues during the switching process itself
- The product not living up to expectations in terms of cost and/or performance.

The cost of ETCs and the lack of awareness of the terms and conditions of their contract and how to terminate them can also be frustrating for businesses particularly when products or services don't meet expectations

and/or if the contractual issues are perceived to add complexity to the process (remembering to cancel in a certain window) or are opaque (for instance when to give notice).

A significant minority claim to have experienced mis-selling of some kind, typically this is perceived as down to a lack of transparency or deliberate complication of the process by providers rather than believing they were deliberately lied to.

Only one respondent had experienced “slamming<sup>2</sup>”. The respondent did not mention the issue as hampering the growth of the business, but they were still very angry about the incident.

There is also considerable inertia among participants around switching due to the perceived complexities of the market (exacerbated by lack of product choice in rural areas and general low knowledge levels).

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<sup>2</sup> “Slamming” – unauthorised switching of a customer’s phone service to another carrier

## 2. Background, objectives & methodology

### 2.1. Background

Small businesses form a vital part of the UK economy; it is therefore important that they are able to operate effectively. In many organisations an effective communications network forms the backbone of their business and is increasingly essential to operations.

Quantitative research<sup>3</sup> was conducted in spring 2014 to understand the communication needs and experiences of SMEs. 1500 SMEs were interviewed via CATI (Computer Assisted Telephone Interviewing).

This research told us that while the majority (85%) of SMEs felt their business was well served by the communications market, a proportion (15%) felt their business to be hampered by a lack of services. This was more common amongst remote rural businesses.

Internet services appeared to be the key issue. Those who felt their business to be hampered by a lack of services were less satisfied with the Internet overall. They were more likely to have experienced problems in the past 12 months and more likely to have switched Internet provider in the past 2 years.

The quantitative research also revealed a number of other issues which have the potential to impede the operational effectiveness of businesses.

A number of businesses had experienced other issues or problems with their communications services in the past 12 months. Ofcom were particularly interested in those with a landline service that said they had poor service reliability. This was 15% of those with a landline.

A number of businesses who had switched internet or landline services claimed to have experienced issues whilst switching. Of particular interest were those who said they had had problems as a result of 'technical issues' (this was 9% of both landline and internet switchers) and/or 'cancellation charges' (experienced by 18% of landline switchers and 6% of internet switchers).

Further qualitative research was therefore commissioned among a subset of the original quantitative sample who fulfilled the criteria of interest and had agreed to be re-contacted.

### 2.2. Objectives

The over-arching research objective was to gather a deeper and more detailed understanding of how businesses felt their growth was being hampered by their communications issues.

In particular we were looking to research further into those 15% of SMEs who felt their growth had been impacted by a lack of suitable products and services, to understand what these required 'suitable' products and services are, and why do these businesses feel they are lacking. The research also aimed to dig deeper in to the precise nature of that impact on their business.

The research sought to obtain more detail around the landline and internet switching and service issues experienced by affected businesses, and to understand what impact, if any, this has had on their ability to operate their business effectively.

### 2.3. Research methodology

38 qualitative telephone interviews were conducted with respondents in the sub groups of interest who agreed to be re-contacted from the initial quantitative survey. In reviewing the findings of this research it should be borne in mind that the sample was deliberately skewed towards these groups of interest as the

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<sup>3</sup> [http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme\\_research\\_report.pdf](http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme_research_report.pdf)

research was intended to obtain a deeper understanding of the issues they experienced and was not intended to be representative of the market place.

These sub groups of interest were as follows:

- The 15% of SMEs who said they felt their growth had been impacted by a lack of suitable products and services, and who had agreed to be re-contacted. This was across a wide range of SMEs e.g. different sizes, locations, needs etc. In total 32 of the 38 respondents fell into this category.
  - Where possible we also looked to speak to people who were experiencing two or more additional service issues based on the findings of the quantitative survey (7 of the 28 respondents fell into this group).
  - ‘Service issues’ was defined as those who indicated in they had experienced issues or problems with their internet or landline service in last 12 months, and/or if they had switched services and had experienced issues switching landline or internet service. Of particular interest were those who said they had experienced ‘technical issues’ and/or ‘cancellation charges’ during the switching process.
- An additional 6 respondents were recruited who experienced two or more service issues as outlined above but did not form part of the 15% who said they felt their growth had been impacted by a lack of suitable products and services.

Telephone interviews all followed a qualitative guide and lasted for between 25-45 minutes, with the average interview length being around half an hour.

## 2.4. Sample profile matrix

The tables below and overleaf detail the breakdown of the sample by number of employees, urbanity, Nation and current connection type.

**TABLE 1: Profile of Sample: Number of Employees & Urbanity**

Number of Employees	Number in Sample	Urban/Rural	Number in Sample
1	4	City/Large Town	8
2-4	10	Medium/Small Town (within 10 miles of a large settlement)	11
5-9	12	Rural//Semi Rural	13
10-19	4	Rural	6
20-49	3		
50-249	5		

**TABLE 2: Profile of Sample: Nation & Current Connection Type**

Nation	Number in Sample	Broadband Connection	Number in Sample
England	9	ADSL	31
Scotland	10	Cable	2
Wales	12	Fibre	6
N Ireland	7	Leased line	2

The internet providers being used by the SMEs at the time of the research are detailed below.

**TABLE 3: Breakdown of Current Internet Service Provider by Connection Type**

ADSL Providers	Fibre Providers	Other
15 BT	3 BT	2 Virgin
2 Zen	1 PlusNet	1 Datakom
2 Datakom	1 Barclay Communications	1 Demon
2 Talk Talk		
2 Utility Warehouse		
1 Eclipse		
1 Lobster		
1 PlusNet		
1 Chess		
1 Eclipse		
1 07 Communications		
1 XLN Telecom		
1 Unicom		

## 3. Lack of available Superfast Broadband

The key product or service that SMEs claim hampers business growth is the lack of availability of superfast broadband connections; deemed an essential utility to many businesses and a right not a luxury.

Not having a sufficiently fast internet connection was considered to severely impact on the SMEs ability to do business in much the same way as not having access to lighting or power. As a result, these same businesses felt hampered from expanding as a direct consequence of these insufficient speeds (uploads and/or downloads).

The impact of not having sufficiently fast broadband is not only a practical one, it is also emotional, causing a high level of frustration due to their perceived inability to operate as they would like to. Tolerance with slow speeds was low and most saw the lack of high speed infrastructure as being unacceptable in a developed nation such as the UK. There was some sense that other countries had better and faster broadband connectivity. There was also a sense that the service should “just work” and some can’t understand why the infrastructure has not been rolled out.

### 3.1. Specific types of detriment caused by lack of Superfast Broadband

The ‘detriment’ to business caused by lack of availability of a sufficiently fast broadband connection is felt to be significant. The business ‘detriment’ caused by slow speeds covered both ‘harder/’more tangible factors and softer issues. In terms of the ‘hard’ issues, all businesses surveyed complained of one or more of the following issues:

- Difficulties marketing the business online. Businesses felt disadvantaged as a result of being unable to fully utilise the internet to help grow the business also to use it as a sales and marketing tool. They were reluctant to email a mailing list or use social media as even if details were uploaded they were not confident that they could deal with the replies.
- Being unable to rely on the connection for payments or having to pay more for a card payment mechanism as a result of not having sufficient speeds to make use of a service such as PayPal. Businesses claimed that this had an impact on the services they were able to offer online, for example they were reluctant to sell services over the internet as they could not rely on the payment mechanism.
- Over and above payments, slow speeds were also seen to reduce their ability to take advantage of other services, for example, some businesses were unable to back-up data remotely, unable to use VOIP, unable to use cloud based services and so forth.
- A negative impact on the brand. Small businesses often rely on the internet to give their businesses the air of a larger firm, instead there is a concern that they look less professional as a result of slow internet speeds. For example, businesses complained of having to ask customers to hold while they looked up an answer to a query, while documents are shared and/or while accessing databases.
- Reduced productivity of staff. Everything takes longer than it should do which either means longer hours or reduced output.
- Opportunity costs. As a result of not having professional IT expertise in house, time is taken up by them as the business owner fixing communication issues where they feel it would be better spent elsewhere. This can also put them off expanding as there is no time to think about new opportunities and businesses can be reluctant to take on more staff when they feel the internet speeds are hampering the productivity of those already employed.

## 3.2. Increasing digitalisation

The demand for speed is driven to a degree by the digitalisation of processes that companies are experiencing. Businesses are increasingly required to operate in a digital environment, be that accessing Government services, marketing, online booking and sales, business administration and use of payment systems (e.g. PayPal). The Government is felt to be pushing many processes towards digital ('Digital by Default') so that 'basic' business activities (such as tax returns, PAYE, etc.) increasingly require a working internet connection of a 'reasonable' speed. 'Reasonable' was judged as a speed that enabled these fairly basic online processes to be carried out almost instantaneously, so that the person undertaking them is not significantly slowed in their task by the speed of the internet connection.

*"A lot of Government services, like Legal Aid, requires us to go online; however, it's almost impossible to use, as the connection is too slow and keeps timing out. Would like to use Cloud Services more but it is impossible." (5-9 employees, small town, Scotland)*

Businesses blame Government as much as the internet service providers (ISPs) for the issues they experience, as they feel that it is inevitable that the providers prioritise the most profitable locations to upgrade to faster connections. It is often seen as an infrastructure issue and therefore there is a feeling that the Government should play a role in ensuring that all parts of the country are 'open for business'.

## 3.3. Acceptable speeds

The Government's Universal Service Commitment aims for universal availability of at least 2Mbit/s broadband - the research highlights that speeds of 2Mbit/s may not meet the current needs or expectations of SMEs.

SMEs that are experiencing problems with the speed of their broadband quickly become adept at checking the speed they receive at different times of the day/week. Some performed a speed check during the interview and were able to say immediately whether the current speed was above or below average compared to 'normal'. These companies are also more likely to use speed checkers in relation to purchasing new services - those who haven't had poor connection or speed issues are less likely to use them.

Some SMEs are receiving speeds below 2MB or only receiving these speeds occasionally or at certain times of day; for these SMEs it was not only the maximum speed that was the issue, it was the consistency of receiving their maximum speed. Others are receiving speeds of 2MB or above but this is still felt to be insufficient in today's digital society where the expectation is that things will work almost instantaneously and some digital services used by businesses rely on speeds faster than this to work effectively. The standard against which SMEs are measuring the speeds they receive is 'superfast', which most have experience of through the use of the internet in other settings.

It can be concluded from the research that speeds of 2MB may have been sufficient in the past, but with increases in file sizes, traffic and our reliance on digital processes that no longer seems to be the case. Upload speeds are becoming increasingly important as well as download speeds and these can also be found wanting even where download speeds are acceptable. Files are getting bigger, there is an increased use of video, cloud-based services and so forth, all of these require a reasonably upload as well as download speed.

## 3.4. Assumed bias in the marketplace

Some biases are felt to exist in the market place, meaning it is not perceived to be a level playing field for businesses. There is a feeling that areas which are more lucrative to the providers are prioritised for receiving superfast broadband. Rural areas in particular, but by no means exclusively, in nations outside of England are perceived to be behind. This is due to the low density of populations and challenges of installation. These areas are also seen as less likely to get the maximum 'up to' speeds.

Businesses in some of these more remote areas felt that not only is superfast connectivity not in place, the existing infrastructure is old and not fit for purpose. This means that the connections are perceived to go

down more often and require an engineer to come out and fix them exacerbating the issues they already face (e.g. businesses may lose connections in poor weather).

*"We are unable to use IP or converged technology for the landlines as the speeds needed to support this are unavailable where we are situated. The broadband speeds are obviously an issue also. We actually have to employ too many staff as are unable to leave the office unattended at any time because we don't have any available tech to help with this."* (5-9 employees, small town, Wales)

Frustration is also enhanced by a sense of unfairness experienced by a number of businesses that they pay the same as those who get higher speeds. Respondents in rural areas are more likely to believe this.

*"It's slow every day, every other day I have to reboot it. I pay exactly the same as someone in Aberystwyth (who's on 20MB) for a much worse service"*  
(5 employees, rural, Wales)

Business parks or dense business areas are also felt to be deprioritised compared with residential areas due to the lucrative additional services that can be sold and/or the density of population in residential areas. Frustration is particularly high when areas geographically close to them have significantly better connections or access to fibre but that the connections stop short of where they are based.

*"We couldn't get a reasonable broadband connection without considerable cost to the company and the only other option given was a dedicated line that was completely out of budget capabilities. It is extremely hard to understand why super-fast fibre optic broadband is available at homes but not for businesses."* (Yorkshire & Humber, 10-19 employees, large town)

### 3.5. The roll-out of 'fibre'

In order to achieve these faster connections, most participants say that they are awaiting the roll out of 'fibre'. This for many businesses is seen as shorthand for faster speeds, in part because they are told this by the providers but also because of what is communicated in the media and/or experienced at home.

Businesses claim to have often contacted providers to complain about their connections and see what can be done and as part of this conversation it is not uncommon to discuss the potential for roll out of fibre in their area. Most businesses find that they are not able to receive a date for roll out or they are given a very vague date such as 'next year'. A minority had experienced delays in the roll out, for example being told it would be at the back end of last year and then this time passed without any further information. Knowing when their issues would be alleviated via the roll out of fibre would help them to feel more in control of their situation and allow them to plan for the future as a business, particularly if they did not have too long to wait.

Over and above contacting their provider, businesses are alert for any information about the roll out of fibre in their area. Networking with other SMEs in the area, scanning the local press and intercepting Openreach engineers working locally were all mentioned as means of keeping up-to-date with information on roll out.

*"We have major issues with our internet connection on the industrial estate. I live only 4 miles away, but at home I can get BT Infinity; here on the estate it's not available - consequently, the internet is painfully slow and one neighbouring company has even lost theirs on occasion. BT don't seem to be able to do anything about it. I don't understand why in this day and age, they wouldn't roll it out to an industrial estate with 20-30 units when businesses are so dependent on the internet."*  
(2-4 employees, NI)

*"The lack of high speed broadband restricts business and time. There is no fibre optic available in the area and why should the fact that we operate in Scotland be a factor in this day and age of technology."* (5-9 employees, rural area, Scotland)

### 3.6. Alternative solutions

When fibre is not available, businesses are often only aware of leased line as an available alternative to their ADSL connection but this is typically deemed too expensive for a business of their size.

There were few mentions of alternative services such as Ethernet First Mile or Satellite broadband, the impression given being that providers are not always mentioning these as alternatives.

There were a few of examples of businesses ‘clubbing together’ to install fibre connections, for example, in one business park the business had been sent an email asking if they were willing to pay for an improved connection to be installed. They were told that provided they were able to get a minimum number of businesses to sign up they would be able to get Fibre installed. This was a recent development and the business was awaiting the final outcome but had heard on the grapevine that there had been sufficient interest. In another instance a business had decided to ‘club together’ with residents of a local village to fund provision of fibre in their location.

### 3.7. The Impact of Cost

Cost was not the barrier to taking up Fibre connections (or other lower cost options). The barrier to take up was lack of availability of fibre and lack of awareness of any alternatives other than Leased Lines which were prohibitively expensive. The issue these businesses were experiencing was sufficiently frustrating and detrimental to them that most of the businesses researched claimed that they would have been willing to spend an additional £20-40 a month for their connections in order to get something reliable and fast.

Figure 1: Case Study: the impact of the lack of sufficiently fast broadband



Electronics Company in Teeside  
 Employees 5-9 people plus team of  
 engineers in the field  
 Broadband - 3MB ADSL

#### Issue faced

- Manufacturer of complex micro-electronic components
- Decent sized contracts with multi-nationals
- “High tech company with no high speed broadband”
- Superfast broadband available in local area; residential properties are well served but not business
- There is a fibre cable 150 yards from his premises but he is stuck with ADSL line (and only has this because his current provider put pressure on via e-envoy and an ADSL was put in)
- 

#### Business Impact

- Has lost customers due to inability to access customer PCs directly
- Constant frustration when trying to communicate with field engineers using IP phones
- Can’t video conference with clients
- Uses dropbox to transfer files and is very slow

## 4. Connection Reliability

### 4.1. Internet reliability

The reliability of connection also had the potential to be a major issue for some businesses over and above issues around speed. Sometimes these reliability issues went alongside speed, appearing to be linked to dated infrastructure, although on other occasions the speed could be just about acceptable but the reliability was poor (and potentially weather dependent).

For a significant minority of businesses where 'slow' internet connections go hand in hand with issues around the reliability of their connections it was considered hard to rely on the internet to do what they as a business needed it to do.

Reliability issues can cause more tangible 'detriment' to business than speed issues alone since they can directly be traced to a loss of bookings, revenue and/or even inability to operate. A few businesses reported being put-off offering new online based services as they could not be confident that they would work.

*"We have ADSL lines which don't provide us with the upload and download speeds to operate efficiently. Being a small business we cannot afford the leased lines that we would need to be more proactive. People in the office are spending most of their time scanning documents to a cloud account before being able to send which wastes a lot of valuable time. Also we have constant outages where the internet goes down completely which is not conducive to running a business. We would like to be able to have BT Infinity." (5-9 employees, medium town, Scotland)*

Poor reliability was an umbrella term used to describe:

- Variable speeds by time of day and/or the number of people in the office accessing the internet causing connections to slow to levels which prevent some services functioning (e.g. payment systems, online booking systems, Wi-Fi to guests). This is typically linked to poor initial speeds, in some cases under 2MB.
- A minority experiencing loss of connection altogether on a fairly persistent basis (e.g. weekly) typically for up to a few hours and/or more occasional major outages which can take days to fix. This was sometimes seen to be linked to weather conditions and/or old connections. One respondent noted that whenever it rained they experienced service interruptions. The problem was resolved when they pointed out to an engineer that the 'box with the wires in it' was on the side of the telegraph pole that faced into the wind. Therefore whenever there was bad weather the rain would be blown into the box... the respondent asked the engineer to move the box to the other side of the telegraph pole and the problem was fixed.
- There were a few mentions (either experienced or rumoured) of issues with the reliability of satellite connections in poor weather.

When experiencing issues relating to the reliability of their connection businesses tended to phone up their provider as the first port of call<sup>4</sup>. This did not always result in an engineer visit. Being told they will be liable for the costs if it is their fault can be off-putting for the smallest businesses and other issues are able to be resolved over the phone. Variable speeds, for example, rarely require a visit and often businesses are left with the impression that there is little they can do about this issue with their current connection.

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<sup>4</sup> The previous quantitative research revealed that 70% of those experiencing a problem or issue with their internet connection contacted their provider to complain.

[http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme\\_research\\_report.pdf](http://stakeholders.ofcom.org.uk/binaries/research/telecoms-research/sme/sme_research_report.pdf)

#### 4.1.1. IT Support and other solutions

Few businesses call in an IT support business. It tends to be only the larger SMEs and/or those with a more complex set up who have access to an IT support person, others are trying to fix things on their own. In this way a number of these smaller SMEs are more like consumers in their attitudes and behaviours, some even have consumer packages. Furthermore, as we note later, many SMEs (especially at the smaller end of the market) lack ICT skills and knowledge, which is likely to impact on their ability to 'fix' certain problems or optimise their service.

A significant minority of businesses do outsource to a reseller<sup>5</sup>, but for some this then becomes 'part of the problem'. Slow speeds & poor reliability can bring them into contact with a wider variety of providers as they seek out alternative solutions, this can bring up additional service and contractual issues. A lack of direct access to Open Reach can also exacerbate the issue leading some to believe they would be better off with BT in future as they feel they would have more direct access to the 'source'. Businesses find it particularly frustrating when they feel that all parties are 'passing the buck' when problems are experienced making it hard to know how to get the issue fixed. Businesses would typically prefer to have a single point of contact who is able to take full responsibility for their issue rather than having blame passed between the different parties. In the current situation businesses can feel an even greater loss of control than they would otherwise experience when problems occur.

Only some companies had invested in a back-up connection/line. Those businesses with a back-up tended to be larger businesses and those in areas where the existing speeds of connections were higher (above 2MB), although not necessarily deemed fast enough for their needs.

For many, the problems they experienced were understood to be related to the infrastructure and so they saw little point in putting in a second connection and also, given their size, would not have wanted to pay for a line they did not use. Smaller or less sophisticated users are more likely to see a back-up connection as an unnecessary cost. These businesses simply wanted their existing connections to work better.

Some created resilience through rather more informal means, for example, having a dongle as back-up or using their home services to get online and conduct business when the office connection was performing poorly and/or down.

Not all businesses were aware of the possibility of mobile and/or satellite broadband as a potential back-up option, although in rural areas poor internet coverage often correlated with poor mobile reception. As noted previously, there were some mentions of issues around the reliability of satellite broadband connections where the connection appeared to be particularly weather dependent and a consistent service was not maintained.

*"Slow internet service and intermittent internet services. Fault was found to be due to bad weather affecting an ill-sited junction box on an exposed telegraph pole, but it took an age to resolve with a lack of response in sorting it - so much so, that I had to go out and buy a mobile broadband service which I still have as an insurance policy."*

(2-4 employees, rural area, East of England)

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<sup>5</sup> In this context a Reseller is defined as "a provider who purchases telecommunications services from another telecommunications service provider and then resells this on to their clients, they may also offer certain other 'value added' services such as IT support and/or advice to these clients (Value Added Reseller)."

Figure 2: Case Study: the impact of a lack of a reliable connection



HR & Employment Consultancy  
One man band, works from home  
ADSL - max speed of 2MB, usually 0.5-0.75

**Issue faced**

- No superfast BB available
- He acts as HR Director to a range of micro to medium SMES so constantly trying to communicate with them and broadband seriously undermines his ability to do so
- Signal drops off when other people are using it in area

**Business Impact**

- Took 10 attempts to log onto online banking previous week
- Clients trying to send him CVs to review via Dropbox - took 4 hours to download 50 CVs
- Emails with large attachments don't get through and clients want to send him complex excel spreadsheets
- Would like to expand and employ someone else but unable to do so as would be another homeworker and wouldn't be able to communicate effectively
- Would like to use VOIP to have 3 way calls with clients - often completely unable to do this

### 4.3. Faults and fault repair times

Most SMEs recognise that faults do sometimes happen - to a degree they are seen as a fact of business life.

The impact of faults seems to be exacerbated when coupled with poor processes and/or customer service, in particular delay in getting the issues fixed causing a significant loss of business. Engineers not turning up when they are supposed to is another significant source of frustration as the business owner has to wait in only to find that the engineer does not turn up.

As noted previously, the fact that small businesses are liable for the cost of a call out can delay getting faults fixed for both landline and broadband. A few noted that they were too fearful of what the final bill could be to have the BT engineers visit them. This is caused not just by the £150 call out fee, but the perception that if it then takes BT a day to fix the problem they will be charged £150 an hour. They made the point that as a customer they would like someone to come out and tell them where the issue lies and 'quote' to fix it.

As found in relation to speed and reliability issues, a few businesses mentioned issues with 'buck passing' at this time. Smaller providers can sometimes pass responsibility onto BT Openreach; at this point the SME feels that they have little control over the situation and little or no chance of compensation.

*"We have 3 landlines and lost 2 of them which in turn affected our internet and then lost the ability to take online bookings. This also affected our alarm systems. The problem wasn't rectified for 12 weeks."*

(50-249 employees, rural area, Wales)

*"Issues with back up service on landlines; my landline was broken on a Friday morning and it wasn't back up until the Monday afternoon; they were very slow to rectify the problem, wouldn't listen to*

*what I had to say and cost me £300/£400 pounds worth of business.”*  
 (2-4 employees, large town, North East)

#### 4.4. Other ‘softer’ detriments

There were also ‘soft’ issues and types of detriment mentioned as a result of slow and unreliable internet speeds, namely that it is stressful, impacts on staff morale, results in longer working days and a general sense of loss of control. One business owner spoke of plans to retire at the end of the year, earlier than initially planned, and close the business (including reluctantly letting go the few staff he employs) as he felt he spent too much time sorting out his communications and administration issues rather than focussing on his core business and he felt at his time of life it was not worth the hassle (he is 65).

*“I enjoy being out in the paddocks ... I am too old to spend time battling with my internet connection. I am thinking of retiring at the end of this year as it is no fun anymore, I do feel bad for the people I employ though.”* (2-4 employees, rural area, Wales)

The research unveiled a general sense that the stress caused by internet problems is detracting from their core business either just by taking longer (almost all), or for a significant minority, taking up time fixing issues. Some mention that they expect their broadband ‘just to work’, and are therefore frustrated when it does not.

Figure 3: Case study: the associated stress of communication issues



Salsa lesson business in a large town in England  
 Employees 2-4 people  
 Landline & BB - consumer fibre product

##### Issue faced

- Internet is very slow uploading files which causes considerable frustration
- Does not understand as thought his current product has good speeds & researched speeds when purchasing (including asking a friend in a computer shop for advice)
- Upon prompting he is surprised to learn that you can obtain products with different upload speeds & why this is important
- While cost was an initial consideration would be prepared to pay more to obtain a more suitable product now understands what he is paying for

*“The internet is a problem and very hard for someone who is not an expert and runs only a small business. There is a lack of suitable products that meet my needs entirely and in the meantime I am bombarded with people trying to take advantage with technical spiel that means very little and actually does very little for me.”*

##### Business Impact

- Considerable time wasted & ends up working longer hours
- Restricts ability to expand product portfolio e.g. he wants to be able to upload videos of salsa classes and sell online classes but has not been able to do so

## 5. Lack of knowledge

As noted previously, lack of knowledge seems to be widespread amongst decision makers in the smaller SMEs, and may exacerbate issues experienced including their lack of understanding of the terms and conditions within their contracts, feelings of mis-selling and general lack of ability to effectively assess the options available to them.

Most of the decision makers we spoke to were not from professional ICT backgrounds. They tended to have other roles and duties outside of ICT which were often given priority over the ICT side of their role. For example, an MD of a small business would also be responsible for sales, customer service, dealing with suppliers, managing staff and so on. This also meant that there was a greater sense of resentment when issues were experienced with their communications which took up considerable time and attention, diverting them from their core business activities. There was less understanding of industry terms and jargon than would be seen in larger companies, and therefore more scope for misunderstanding. This misunderstanding was evident both in terms of their comprehension of what they were being told by a provider and their own ability to articulate their needs.

It should be noted, however, that SMEs find it difficult to verbalise lack of knowledge as an issue (they don't know what they don't know). Some SMEs do recognise their lack of knowledge and try to do something about it. For example, when they experience an issue that impacts on their business (such as buying the 'wrong' product) a significant minority may start doing more research in an effort to avoid the same mistake in the future. However the process of learning about ICT is not seen as easy, and many of those trying to 'educate' themselves feel that they have to work relatively hard to find out what they need to know. This hampers the business in their mind in that they have to spend time researching ICT that they could be using for other aspects seen as at the 'core' of their business.

*"I was looking to change to (provider) but stopped because of all the clauses and so on. Another company (provider) trying to sell me something did some things wrong when they were calculating stuff. They said they'd reduced it from £100 to £56, but they'd left out some things I wanted. Everything is unclear."*

(5-9 employees, small town, Scotland)

A minority of businesses simply 'muddle along' without seeking to improve their knowledge of ICT. They are either not sufficiently 'annoyed' by their experience to invest the time or simply have such a low level of knowledge they don't know where to start.

As an example, one business had a broadband package with, what he believed to be, a very fast speed. He was using a consumer bundle as he worked from home and did not know the difference between that and a business version. His problem was that he could not stream video to his clients as he wanted to and so could not sell the additional services he'd planned on introducing. He did not understand why his services was not working in the way he wished as he felt he had good speeds and had shopped around, choosing a supplier whose speed was relatively good within the market. When looking at the product list we showed him he was surprised to learn there is a difference between upload and download speeds and that there might therefore be a solution to his problem.

There is also an underlying frustration amongst those with service (or even coverage issues) that they are simply not sold a service that meets their business needs, and the fact that the responsibility for getting the right product seems to lie firmly on their shoulders - to the advantage of the provider. A minority of businesses felt that this lack of knowledge had been exploited to upsell them items that they did not require, for example, one SME had purchased a warrantee which they subsequently felt was unnecessary. On other occasions a small number of businesses felt that the final cost of the service (particularly when the bundle included calls) had not been made clear and as a result they had not received the expected savings, and on occasion had ended up paying more.

## 6. Switching

### 6.1. General issues

Key reasons to switch reported by SMEs in this qualitative research include:

- Cost reduction (e.g. looking to get a better deal)
- Improving product performance (typically trying to improve the speed and/or reliability)
- Ongoing 'niggles' with service (e.g. poor phone customer service, billing issues, and so on).

It can often require a combination of these factors to 'push' a business towards switching providers.

Those most motivated to switch seemed to have a strong desire to move away from the existing provider - not just to switch to a better product. A number of examples were mentioned here, including the product failing to meet expectations in terms of speeds 'promised' and the customer believes they were oversold to. Or if the product fails to deliver in terms of reliability (e.g. having fairly significant outages on a reasonably regular basis) and the provider is not seen to respond appropriately. Also mentioned were costs being (or are becoming) higher than expected or if the provider is seen to lack 'clout' with BT Openreach. In the latter circumstances a business may feel they might as well go straight to 'source'.

The customer service/handling that is experienced upon reporting an issue can sometimes be the tipping point or 'last straw' for SMEs to switch.

Issues experienced when switching include are described in more detail under the headings below.

#### **Lack of knowledge combined with perceived product complexity**

SMEs can find it hard to compare products as it is difficult to assess whether you are comparing like with like. Uncertainty around the actual speeds you will receive, a lack of understanding precisely what you should be looking for (e.g. the importance of upload speeds) and in some cases confusion over the difference between consumer and business products all add to the sense of uncertainty. This can cause businesses to feel it is 'safer' to stay where you are unless things get sufficiently bad that you feel the need to leave and/or mean that they are unclear as to whether switching will actually improve their current situation.

*"I find it too confusing within the broadband marketplace to decide how to proceed with changing provider. I just don't have the time."*

(1 employee, small town, Scotland)

*"I'm frightened to do anything because I don't know what I'm getting into. There are hidden charges everywhere. Also the suppliers all show different information, it's not standardised, it's too darn complicated - you can't compare one supplier to another as they are described differently. Overall I just can't be bothered to move; I'll put up with something because it's too risky to move"*

(1 employee, small village, Scotland)

#### **Taking over a business premises/business:**

If one business takes over another, this appears to increase the complexity/issues experiences around contractual terms. There is a strong expectation that when you take over a business premises you will not take over the existing contract, but in a few cases this actually happened. A few SMEs report being liable for the contract and having to pay/negotiate/take legal advice to get out of it.

Some respondents believed that providers use the threat of disconnection/losing the current phone number in such circumstances to their advantage; to ensure the new business owner is panicked into accepting the incumbent because they are worried about business disruption. This is a particularly important issue for businesses in the hospitality sector taking over from a previous business owner but not wanting to lose the existing trade.

*“We took over the business in April 2013; it appears the previous owners had taken on a new 2 year fixed lease for the phone lines [with provider] just before they sold the business to us. We weren't happy with this, wanting to use our own supplier; I didn't believe the contract should have stayed with me, but when we tried to negotiate with this provider they said I wasn't allowed to move and when I threatened to get lawyers involved, on our first weekend of trading they cut the phone lines for the whole weekend - cost me £2000 worth of business.”*

(20-24 employees, Urban, Scotland)

*“The previous owner was with (another provider). When we took over, we had major hassles trying to switch to [new provider]; they insisted we needed to stay with the previous contract or pay the remaining months. However, we needed to switch to [new provider] which would guarantee us an improvement in service.”*

(10-19 employees, Rural, Wales)

### **Not being able to port the landline number**

A minority mentioned that the inability to port telephone numbers without longer notice periods adds another barrier to switching; this mainly affects businesses that are very phone dependent (restaurants, hotels, etc.). This issue was mentioned only in relation to smaller suppliers.

### **Loss of service (internet or landline phone)**

A small number of businesses had experienced issues around a loss of service to their internet connection when switching provider. In other cases the fear of this disruption could put them off switching from their current provider. The worst example that the research encountered was a period of 5 weeks without landlines.

*“Loss of service for 5 weeks - when we tried to switch providers we had a total loss of service for 5 weeks due to the lines not being transferred correctly and a lack of communication between the two providers. Additionally we had one of our extensions go down and the provider refused to look at it until we agreed to buy a £250 pa add on service package.”*

(2-4 employees, medium town, Wales)

*“We had an issue in October where a line was transferred from (provider) to a new provider but (provider) cut us off 3 to 4 days before the new provider could take over the line so we were left without a phone - we ended up having to email the Chief Exec of (provider) in Northern Ireland to get a result.”*

(50-249 employees, large city, NI)

*“When starting the business the house had two lines set up with (existing provider). We approached [new provider] to set up new lines keeping the same number for our business. When the date came to*

*begin our new venture we discovered we had no phone lines at all as (existing provider) had disconnected us and not passed any information on to [new provider]. [new provider] wouldn't help so we have ended up being tied into an unwanted contract with (existing provider) who took six weeks to sort out the phone lines. The customer service with them was appalling and still is."*

(2-4 employees, semi-rural, Wales)

## The process of switching

As with fault repair, a minority of businesses experienced problems with engineers not arriving when scheduled on the day of the switch. This was seen to cause knock-on scheduling problems and generate extra costs and again can make businesses nervous about switching in the future.

*"We were changing from a VOIP system with (existing provider) back to (new provider) - we were told we would need to arrange for a date when a (existing provider) engineer could come over to re program the ISDN details but (new provider) said we would need a (new provider) engineer present as well. (Existing provider) charged £250 for this, however, on 3 occasions the (new provider) engineer never turned up which cost us £750 - all they offered us was £10 compensation."*

(5-9 employees, rural, Wales)

## Product not living up to expectations in terms of cost and/or performance

Overall, SMEs who believe they have low levels of knowledge are generally less likely to switch, and if they do they are more at risk of making a poor choice, both of which issues could be detrimental to their business. This is both a barrier to switching in the first place and can cause participants to feel they were mis-sold to once the product fails to live up to expectations.

## Switching issues in rural areas

There is a considerable difference in the process and issues involved in rural areas versus most urban areas.

In rural areas the issue is less about difficulties choosing exactly the right product for their business from a broad portfolio of offers, but more about choosing between a limited number of suppliers who are all offering the 'same' product (i.e. they are more constrained by the infrastructure in their area than by product knowledge).

## 6.2. Contractual issues

The research also explored other issues involved in the use of communications services that can impact negatively on small and medium businesses.

Specifically it was found that certain contractual issues (detailed below), coupled with lack of knowledge and/or perceived mis-selling, may be hampering some businesses from making optimal choices regarding the services they use.

These issues are sometimes experienced together, which exacerbates the impact that they have. This may result in an increase in inertia/bias towards the status quo and hence a reduced inclination amongst SMEs to switch, and/or a reduced ability to choose the 'right' product for them.

As noted previously, what an SME perceives as mis-selling, may, in fact, be their misunderstanding of a contractual term.

This section now continues by covering each of the key contractual issues in more depth.

### 6.2.1. Early Termination Charges (ETCs)

In most cases Early Termination Charges (ETCs) are seen as reasonable, especially in the first one or two years of a new contract. In this context an ETC is seen as an acceptable trade-off for getting a good deal on a new service. However ETCs do seem to cause problems on occasion, and may even inhibit switching from one supplier to another.

Overall, the main frustration with ETCs is when an SME feels that they have a product that is not 'fit for purpose' yet have to pay to leave it, which they see as unfair on them as a consumer. This can be because the service is not meeting their expectations in terms of reliability, cost savings or another performance related issue. However, it can also be because the needs of the business have evolved beyond those envisaged at the time they entered into their contract (e.g. they wish to upload video or develop an online booking service), or new products become available (e.g. they signed up to an EFM service then fibre became available in their area).

*"When I changed provider to (provider), I was told by a customer advisor at my previous provider that I had 30 days from that date to inform them of the move, however, when I did the move I was then told that it was too late, the time had expired and I had to pay £150 cancellation charge. I had nothing in writing and it was only on the advice of the original customer advisor, so I hadn't a leg to stand on and when I tried to complain, they denied the misinformation."*

(2-4 employees, suburban, England)

This frustration is caused by the ETC both inhibiting them from switching due to fear of being tied in to a new provider or by an ETC with their existing provider which they may or may not have been aware of at the time of switching.

With regards the first scenario, if an SME customer is unsure whether a new service that they are considering will fully meet their needs (whether it's terms of product functionality or price savings) then an ETC attached to a contract can inhibit switching to a new supplier. This is because they believe that they won't be able to 'get out of contract' without incurring a (potentially sizeable) cost. This is particularly pertinent to broadband as opposed to landline as there is less certainty than with landline as to whether the product will meet their needs. In this situation it is, paradoxically, the supplier who is trying to win new business who may suffer as their own ETC may be discouraging some businesses.

In the second scenario, if a business is unhappy with a current supplier and is considering switching to an alternative the ETC may put them off switching due to the cost of the penalty they would be required to pay. This is exacerbated by automatically renewable contracts (ARCs) and longer (more than one year) contract periods. It should also be noted that SMEs are not always aware of the ETC before starting the switching process, they either seem to have forgotten or not realised that an ETC was attached to their service contract so it can be the switching process itself that alerts them to the ETC and then the cost of the ETC puts them off switching. This latter group tend to be the most frustrated by the ETC as in this situation they can feel unfairly trapped by their supplier.

ETCs may also cause concern when moving premises, both from the perspective of having to pay for the contract they may be leaving and also a worry that, moving into a premises that already has a contract in place they may be obliged to take-up the 'in situ' contract or face having to pay an ETC to get out of it.

### 6.2.2. Automatically Renewable Contracts (ARCs)

There can be a lack of awareness among SMEs around the way they can terminate their contract; unless they have experienced issues previously SMEs typically look into this at the point of wanting to leave. This can be a particular issue with regard Automatically Renewable Contracts. They may have been informed about the terms relating to termination at the point of purchase but they typically have not retained these. ARCs are seen as a frustration or irritation to most SMEs that have experienced them and for a minority have actually inhibited switching.

The majority of SMEs understand the principle of an “automatically rolling contract” whereby there is a limited timeframe in which to cancel a service which otherwise automatically renews into another time period. Few spontaneously call them Automatically Renewable Contracts and some will term them ‘rolling contracts’ – this can cause some confusion as contracts that have a ‘rolling’ three month notice period or contract are termed a ‘rolling contract’ – and these are seen as fairer than ARCs.

In general, ARCs are seen as applying to various communication services, including broadband and some mobile phone contracts but are more familiar to them through other sectors such as insurance.

The majority find ARCs to be irritating, as they are seen as creating more complexity in the management of communication services. The decision maker has to remember the cancellation period and this takes their attention away from (more important) business issues.

There is recognition that ARCs may be a ‘small’ barrier to switching services for most businesses. A minority reported that they had been stopped from switching as a result of ARCs; in these cases they had missed the deadline for cancelling the services and either didn’t want to pay the ETC or could not afford to. Those missing the deadline tended to be frustrated or even angry, feeling that they were unfairly locked into the services.

In fact, the management of ARCs by some suppliers was seen by a minority as a deliberate way of keeping customers tied in, by making the process of leaving such a contract opaque and/or complicated. Those with bad experiences cited ‘non-customer friendly’ supplier policies including:

- Not being aware that they had an ARC date before trying to cancel.
- Being given insufficient or no notice that the renewal date was imminent. Time is required to look around for alternatives and also to prepare (mentally as well as practically) for the hassle of switching.
- Having to give 30 days’ notice before cancelling and/or an additional notice period on top of this.
- Having to give notice in writing (i.e. it was not possible to cancel over the phone).
- Being phoned by the supplier in advance of the date in regards to satisfaction with the service, and the call being taken as confirmation of renewal.
- Believing they had been given incorrect information about when they needed to give notice and then missing the window.
- Having to give a longer notice period if they wanted to port a telephone number

Those businesses that had experienced missing an ARC renewal date were careful not to miss another, for example dates were marked on Outlook reminding them to cancel the service.

*“I phoned up to cancel the service and was told by the sales person that I’d missed the date by 4 days! I’ve now got a piece of paper pinned to the wall reminding me to do it on time”*

(5-9 employees, Industrial Estate, Scotland)

*“When we were with (provider) getting out of the contract was a pain. You were just able to do it at the renewal date or it kicked in for another year. I can understand it if it’s for a deal period but doing it automatically after that seems anti-competitive”*

(10-19 employees, small city, England)

ARCs would be more palatable if they were managed in a similar way to financial services products (e.g. insurance, assurance) whereby they receive notice regarding the end of the contract in good time, in a way which is clear and easy for them to action.

*“They’re just not fair. If you’re busy you can forget to phone up, and then you’re tied in for another year”*

(4 employees, industrial area (docks), Wales)

### 6.2.3. Other contract issues

Certain other contractual terms are seen by SMEs as sometimes working against the interest of the customer and although not widespread, a number did state that other contractual terms can add further barriers to switching.

- The lack of a ‘cooling off’ period was mentioned by a minority when buying a new product. This adds another barrier to switching; they can’t leave the service if they realise they’ve made a mistake so they are less likely to choose a product they are not totally confident in (or understand).
- The long length of contract periods exacerbates ETC issues. 2 years seemed to be a standard (which is acceptable), but a minority of those in larger businesses mention contracts of 3 or more years. There is little evidence from this research regarding any trends in length of these contracts.

In regard to the issues detailed above it is difficult to identify from the research whether these issues are caused by deliberate obfuscation, systemic poor customer service or simple (honest) mistakes in the process.

## 6.3. “Mis-selling”, obscurification or misunderstanding

A significant minority claim to have experienced ‘mis-selling’ in one shape or another.

There is a strong sense amongst the SMEs interviewed that only a minority of providers would actually lie to customers, but a perception that many suppliers would be opaque about a number of potentially important issues such as product functionality, contract terms, costs and cost savings. This is heavily linked to the ‘up to’ issue related to speed of service and which is discussed in further detail below.

Such experiences can result in businesses paying more than they need to, or the product not living up to expectations or meeting their needs, e.g. it’s not as fast as promised, it does not save as much money as promised or it includes ‘extras’ that are not needed (and cost money).

*“The problem is that we’re paying (provider) more than was originally costed. We’re paying £50 per month more than we expected... We expected to pay £90 plus VAT, so we’d save around £40 per month. So we’re back to square one on cost”*

(5-9 employees, Urban, Wales)

A significant minority report that they have experienced a degree of mis-selling in the past e.g. they have been ‘burnt’ by buying a service on the advice of the supplier. These SMEs are more suspicious and more cautious in regards to switching in the future.

The smaller, local re-sellers/ISPs are most often linked to ‘deliberate’ mis-selling. However even the larger firms are seen as being opaque or omitting key details (or simply making mistakes) as understood by the business at the time.

*"We moved from an old (provider) fixed line system to a different system operated by (provider). This was arranged through a third party local company. Despite them saying that this would do the job, we were miss-sold and it was hopeless. We would have phones ringing only once and then cutting out despite customers telling us they were ringing several times - sometimes our phones didn't ring at all. We also had issues transferring calls to different extensions".*

(5-9 employees, urban, NI)

*"I switched to (provider) hoping it would be better - I was given a deal over the phone that sounded better and cheaper than what I was paying at the time, however, it's turned out to be more expensive. Feel I was miss sold and find it very confusing working out what deals are available."*

(2-4 employees, urban, Scotland)

### 6.3.1. "Up to" speed

The speed of their internet connection was one of the main issues that SMEs reported in terms of hampering their business performance. Therefore this section looks specifically at perceptions of mis-selling in relation to the speed of connection.

Selling speed as 'up to' rather than basing an estimate on the average for the area or simply suggesting they are likely to get a higher speed than they are currently receiving are the key issues here.

Suppliers talking of speed using the term 'up to' can also be misunderstood, and at times this language appears (to SMEs) to be deliberately used to obscure the reality of a lower speed. A minority of SMEs feel that they have not been told it was 'up to' a certain speed but instead they were 'promised' higher speeds. More often they recall 'up to' being mentioned but feel that this is misleading as they assume providers must have a reasonable understanding of the speeds they are likely to achieve in their location. Estimates including average speeds for their area would be preferred and seem more transparent (and fair).

The smaller re-sellers/ISPs are most likely to be mentioned in regards to issues over lack of clarity on the speed of the service.

Overall there is an expectation that if you are sold a product it will be fit for purpose. This is based on experience of buying other business services. Businesses often realise that they might not always get the upper limit of the speed but expect that they would generally get close to this speed (e.g. a speed of 6Mb for a service sold as 'up to 10Mb' is not unreasonable but a speed of 2Mb feels like a distortion of the truth).

The use of 'up to' can also make it hard to know whether one product is genuinely any better than another or is it simply that one provider is being more transparent than the others. For example, one supplier may simply state that they can't specify a speed, whilst another may mention a specific speed you are 'likely' to receive.

*"(Provider) offered a contract and when it came it turned out not to be suitable. Customer services were atrocious and they changed the contract 3 times. I was offered a guaranteed service speed and connection which they have failed to deliver on and this affects the day to day running of the business."*

(2-4 employees, small town NI)

*"We are supposed to have a guaranteed 1.5/2 Megs line, but it is underperforming at 0.3 Megs. Additionally, we have an Ethernet line between our sites which is costing us £18,000 a year which we are unhappy about and we have complained to Local Government about this. All with (same provider)..."*

(50-249 employees, Large City, NI,)

### 6.3.2. Other examples of misunderstanding and/or confusion

Other examples of areas where there can be misunderstanding or lack of clarity include:

- Use of technical jargon rather than ‘plain English’
- Strongly implying that cost savings would be made (where there is no real evidence or certainty that this will be the case).
- Long contract documents, which are difficult or tiring to read. This can mean that contractual elements such as ETCs, ARCs, notice periods, etc. are missed or hidden.
- Making it difficult to have conversations with sales staff so that it is difficult to pin down issues. Potential customers therefore have to guess or hope that their interpretation is the correct one.
- Including additional product elements in the service that are not required (but which incur costs). This could be a warranty, guarantee or maintenance contract.

## 6.4. Slamming

Only one respondent had experienced “slamming<sup>6</sup>”. The respondent did not mention the issue as hampering the growth of the business, but they were still very angry about the incident.

*“We were originally with (provider) for landline and broadband. Somehow, (provider) seized our services saying they’d had a verbal agreement over the phone to change providers. Services were then very poor from that point on: technical issues and loss of connection for prolonged periods etc. When we insisted on switching back to (original provider), they refused to give back our number (known to our customers through years of trading). We ended up having to stay with them for 18 months.”*  
(20 employees, rural, Wales)

Another example of miscommunication:

*“They (provider) phoned me up to ask if the service was OK and whether they could talk to me about renewal. I thought they were asking about setting up a later call, but then it turned out I’d signed up for another three years”*  
(5-9 employees, Industrial Estate, Scotland)

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<sup>6</sup> “Slamming” – unauthorised switching of a customer’s phone service to another carrier



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