



Tesco Mobile  
Response to Ofcom consultation

Wholesale mobile voice call termination

Submitted : 23<sup>rd</sup> June 2010

## BASIC DETAILS

Consultation title: Wholesale mobile voice call termination

To (Ofcom contact): Paul Jacobus

Name of respondent:

Representing (self or organisation/s): Tesco Mobile

Address (if not received by email):

## CONFIDENTIALITY

Please tick below what part of your response you consider is confidential, giving your reasons why

Nothing	<input checked="" type="checkbox"/>	Name/contact details/job title	<input type="checkbox"/>
Whole response	<input type="checkbox"/>	Organisation	<input type="checkbox"/>
Part of the response	<input type="checkbox"/>	If there is no separate annex, which parts?	

If you want part of your response, your name or your organisation not to be published, can Ofcom still publish a reference to the contents of your response (including, for any confidential parts, a general summary that does not disclose the specific information or enable you to be identified)?

## DECLARATION

I confirm that the correspondence supplied with this cover sheet is a formal consultation response that Ofcom can publish. However, in supplying this response, I understand that Ofcom may need to publish all responses, including those which are marked as confidential, in order to meet legal obligations. If I have sent my response by email, Ofcom can disregard any standard e-mail text about not disclosing email contents and attachments.

Ofcom seeks to publish responses on receipt. If your response is non-confidential (in whole or in part), and you would prefer us to publish your response only once the consultation has ended, please tick here.

Name

Signed (if hard copy)



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23 June 2010

### **Consultation on “Wholesale mobile voice call termination”**

1. We welcome the opportunity to comment on Ofcom’s consultation on “Wholesale mobile voice call termination”.

#### **Tesco Mobile**

2. Tesco Mobile currently has over two million prepay customers and is unique in delivering consistent ongoing growth. Tesco Mobile also successfully entered the ‘pay monthly’ market last year with innovative tariffs and generous credit rewards. We have twice been awarded the JD Power Prepay Customer Satisfaction Award in recent years and were the number one pay-as-you-go operator for customer satisfaction throughout 2009. In December 2009 we became only the third UK operator to offer the iPhone. We currently have 120 dedicated Phone Shops, with plans for 500 over the next five years.

#### **Key points**

3. Tesco Mobile favours simple, transparent, flexible and customer-focused regulation which promotes competition and enables us to provide good value, quality products and deliver excellent service to our customers.

4. We support a transparent approach to charging and price reductions for customers. In principle we therefore welcome Ofcom’s proposals to reduce mobile termination rates (MTRs) and believe that a consistent approach to termination rates should be applied across the industry (for fixed line and mobile operators).

5. It is imperative that any reduction in MTRs does actually benefit consumers through lower prices. This is particularly important given the impact Ofcom anticipates the change will have on other aspects of mobile customers’ service. If the market works effectively, this benefit will largely come from reductions in the termination rate being passed on to customers in the form of lower fixed-line call charges. However we are concerned that when MTRs have been reduced in the past, this has not been translated into lower fixed-line call charges (see **Annex 1**).

## Annex 1: Landline mobile rates compared to the interconnect rate

