

RESPONSE TO THE OFCOM CONSULTATION ON CONSUMER SWITCHING

8TH MAY 2012

EXECUTIVE SUMMARY

- Cable&Wireless Worldwide does not see the level of harm that Ofcom reports in this consultation. Therefore we do not believe that a major change that costs the industry in the order of £100m is proportionate; moreover the material investment required in our business alone for the more intrusive options cannot be justified. For this reason we can only support the enhanced NoT process or at the most the GPL TxC option.
- The narrow focus of these proposals on a subset of the fixed line and broadband market is a significant concern given the long term goals and significant investment required. A ten year investment can only be undertaken with a fair degree of confidence that it meets the ten year needs of the market:
 - The desire to achieve a unified switching process together with the strong trend towards bundled services means it is vital to consider a wider scope of services otherwise there is a high risk that further changes, or different solutions, will be required downstream;
 - These proposals focus on what are mainly legacy products, the voice and broadband products of today, when already the market is looking forward to broadband based upon fibre and cable;
 - It is inappropriate to consider Fixed Line and Broadband in isolation and the lack of consideration of porting is also problematic in finding a useful solution; and
 - We do not believe Ofcom's preferred TPV option is future proof. When most consumers want to interact online, it doesn't seem right to have a process that requires a telephone conversation as one of the key steps.
- We do not believe an LPL process is viable at least for our business and because it favours the large consumer providers who have large numbers of customers.

INTRODUCTION

Cable&Wireless Worldwide (CWW) aims to be the first choice communications integrator, specialising in the mission critical needs of large users of telecommunications and through the THUS and Demon brands we are able to leverage our product capabilities to small and medium sized enterprises. We pride ourselves on our telecommunications infrastructure and the services that we provide in order to allow our customers to operate their businesses.

Whilst our principle focus is on the enterprise sector and Ofcom's review of the switching processes is aimed to remedy perceived consumer oriented issues, the outcome of this consultation is just as important to us for a number of reasons:

1. We have to ensure we are able to offer our customer's customers the best switching mechanisms and some of our wholesale customers do operate in the consumer market.
2. Our mid-market division (primarily through our THUS brand) is certain to be impacted
3. It is difficult to see how a business and consumer switching process can ever operate separately. Parallel processes are likely to be too costly and inefficient to run and we do not

expect our partners or Openreach to have any incentive to navigate more than one process. Consistent with our position at the Switching Working Groups (SWG), we therefore maintain that it is essential that the consumer-led process works in an enterprise context and that this has been fully scoped as both a solution and an integral part of Ofcom's cost benefit analysis.

Accordingly we have been active participants in the industry Switching Working Groups and have contributed estimated costs and potential process enhancements to the various options put before us. (It should be noted at this stage that our proposed process model at the SWG for the TPV option demonstrated one possible mechanism for the enterprise market. It should not be regarded as tacit approval for this option). We therefore welcome the opportunity to respond to Ofcom's consultation and to put across our views regarding the issues Ofcom raises and how they propose to tackle them.

With this in mind, whilst we have answered the majority of Ofcom's specific questions (see the end of this response) the bulk of our response concerns our views on the consultation, the current process, the proposals for alternative processes and our preferred option without any specific reference to Ofcom's questions.

OUR GENERAL VIEWS

TECHNOLOGY NEUTRALITY, PAY-BACK & PORTING

It is clear from the consultation that Ofcom is currently engaging with fixed voice and broadband providers, but that this engagement is the first stage in a process which will examine and redefine the whole Switching Process across fixed, broadband, cable, mobile and ultimately pay-TV. Indeed Ofcom has set out at the SWG an ambitious timescale to complete this work and the order in which the different areas are to be addressed. Whilst the decision to limit the scope of the current consultation to copper-based fixed line and broadband services appears to have been taken in order to tackle perceived failings in the switching process, we do not see how the most effective solution for consumers can be reached without considering their experiences with other communications solutions (e.g. mobile, cable, pay-TV). Ofcom sets out a series of failings in today's processes and stresses the need for a technology neutral, future-proof solution that harmonises processes from today's position. It has been well understood by the SWG that the ultimate goal is a single harmonised switching process that would cater for the increased bundling of services, NGA and the inter-reliance of different elements of the package upon the consumer's service. From a position external to the market it seems clear that services are not just purchased independently but that the bundling of voice and broadband services is popular and that some operators are evolving these bundles to include pay TV and mobile. It is this tie-in with products and services that is pivotal to determining the best solution for consumers and what appears to be the driving force behind Ofcom's work.

It is disappointing therefore that Ofcom has set out in the SWG a mechanism for combining all of these services into a single process but is intent in implementing the regulation in a way which will make a common process highly unlikely. Fixed and broadband services may or may not be the area of the acutest consumer issues, but it has been recognised by the SWG as being the starting point for Ofcom implementing a single process. However, to do so would be to presuppose the regulatory process. Anything implemented for fixed and broadband will become de rigueur and by extension the model by which a switching process is to be implemented for mobile and pay TV operators. To do otherwise would be to fail to recognise the harmonisation benefits which is portrayed as one of the key drivers of this consultation.

Furthermore, we do not support the use of a 10 year costing approach to provide an improved switching process without considering these other services. Nor do we believe that it is appropriate

to simply declare cable or Fibre to the Premise as being “out of scope” and not part of this wider consultation process at this stage. It makes no sense to distinguish between the copper network and other technologies when seeking to address consumer issues which are partly caused by a lack of understanding of infrastructure technologies. Any changes made under regulatory direction to improve fixed line processes between BT products, but which may potentially fail the same regulatory assessment of proven consumer harm to warrant changes to Fibre to the Premise or VirginMedia’s infrastructure would in our view completely fail to provide consumer benefit. Ofcom has a duty to implement technology-neutral regulation and until all of these other services have been fully assessed it is not clear how fixed line and broadband providers can be tied into a 10 year commitment which almost certainly will not be valid or workable in less than a decade.

By excluding Fibre to the Premise the ten-year ‘pay-back’ analysis is undermined as the focus on the copper network inadvertently places all of the costs on legacy products in what Ofcom’s market report figures show to be a declining market (-8% year on year in terms of minutes and -7% in revenues). CPs will not be seeking to recover the majority of implementation costs against these copper assets but against the NGA access services, of which Fibre to the Premise will be a fundamental part. Furthermore Ofcom’s preferred option of TPV is not in our opinion likely to be future-proof. We believe there is a strong requirement for an online option for ordering services and that this will be the primary mechanism for switching in the future. That is not to deny the need for alternatives to address vulnerable consumers, but to base such an expensive future switching strategy purely on a voice-centric solution is likely to become a hindrance to, rather than an enabler of, consumer experience.

We urge Ofcom to reconsider this siloed approach to switching and not to reach any conclusions or make a statement for implementation in the fixed line and broadband markets until the service mix is considered holistically. This consultation should provide the first stepping stone in a series to establish a common process, but Ofcom should establish the nature and proximity of the next step before seeking to implement its conclusions. This will also allow Ofcom to consider synergies between the different technologies and to identify options that may offer a far shorter economic pay-back through the realised cost savings. To do otherwise is likely to result in a fragmented series of isolated and expensive developments which will not produce a clear roadmap to efficiently achieve the highest level of consumer benefit.

We also highlight a fundamental omission from Ofcom’s considerations. Ofcom has not addressed porting within this consultation and has been reluctant to fully take it into account during the SWG. Porting is pivotal to switching processes and yet its impact on the consumer switching experience is not addressed. Cable&Wireless Worldwide believes this to be a fundamental flaw. Porting should be a central consideration of any changes within the switching process. If a consumer wants to switch provider they almost always want to take their number with them. To be able to do one but not the other is to leave a clear barrier to switching in place. We would also caution Ofcom that any belief that porting can be subsumed easily into the process at a later stage is likely to be ill-founded. It should instead form part of the review to allow synergies to be recognised between the processes. Simply disregarding porting as being out of scope whilst expedient will, we believe, in the long-term prove to be a costly error.

EVIDENCE OF CONSUMER HARM?

Ofcom has set out many statistics and figures from its research in this consultation. The statistic that shocks us the most is the suggestion that “an estimated 520,000 households have their fixed voice and/or broadband services slammed each year.”

Based on our own experiences we cannot see that this figure can be true. Over the last 12 months Cable&Wireless Worldwide has been asked by Ofcom to identify our wholesale customer in relation to 9 complaints (from in the region of 240,000 orders) about slamming and as far as we are aware all of these have been due to erroneous transfer rather than slamming. Similarly in the recent Ofcom analysis of its complaints data Cable&Wireless Worldwide was approached regarding 2

complaints. Of these one related to erroneous transfer caused by the End-User supplying incorrect information and the other a misunderstanding following a reseller entering administration, for which the End-User later apologised. This, irrespective of Cable&Wireless Worldwide's position on the peripheries of the market, is not a pattern of abuse which reflects Ofcom's findings. If accurate, Ofcom's slamming figures explain its desire to tackle the switching process, but it is not clear whether Ofcom's evidence reveals a picture of endemic slamming or a mistaken consumer 'perception of slamming'.

Cable&Wireless Worldwide finds it difficult in the current economic climate to justify Ofcom's proposal to burden industry with £100M of cost (over 10 years) to tackle what our evidence suggests is an issue of far lesser extent than has been portrayed. We believe there to be other more proportionate options available to achieve improvements to the consumer experience.

KEEP THINGS SIMPLE

As set out below our preference is to build upon the existing switching processes as in the absence of an Ofcom roadmap that sets out a unified and comprehensive goal for all parts of the industry, we see no reliable evidence within our business that justifies more than at most a move to an enhanced NoT process. It should not be assumed that even this is without significant cost as we would be required to unpick the existing MAC process, but we believe it offers both consumers and industry a simple and efficient process and is the most proportionate solution to the problems Ofcom outlines in its document. We believe that Ofcom has been hasty to dismiss the Enhanced NoT option and has done so because it has placed too much weight on the inflated *perception* of consumer harm rather than giving weight to quantitative evidence which shows declining instances of harm. As a result a gold-plated solution has been favoured over solutions which offer improvements on the status quo and pay-back over a shorter period of time.

We repeat our belief that a solution which is future proof is essential – it is difficult to see how a complicated process (e.g. TPV) will easily work for future changes in technology, bundled services or consumer requirements or indeed, as already outlined other services that may be switched.

IMPLEMENTATION

In terms of implementation we have two concerns: time and cost.

It is difficult for us to comment on how much time will be needed to implement a change in switching process as it ultimately will depend on which option is chosen as the way forward. That said, unless the processes stay very close to what they are today, we would expect to need at least 24 months to implement (possibly more depending on budgetary constraints and when Ofcom publish its final statement).

In terms of cost, it is not clear how, if Ofcom decides to go for one of the options that will lead to implementation costs, those costs will be expected to be recovered. Ofcom will be aware that in all probability the costs incurred by industry will inevitably be passed on to the consumer; the higher the cost, the higher this impact for consumers. With regards to BT's wholesale services we would urge Ofcom to carefully scrutinise how BT passes its costs on to its wholesale customers to ensure that it is not done in a way that distorts competition and provides an unfair advantage.

OUR PREFERRED CHOICES

Being a business to business operator we don't see the quantum of challenge within the switching processes that Ofcom outlines in its consultation; even our mid-market business, THUS, does not see these challenges when dealing with small businesses. Whilst we can see that an agreed process may be able to work in some areas (and have set out a proposed process as to how TPV could work within a business environment) the proposals to make changes to the processes place a heavy burden upon industry and individual CPs both financially and in terms of resource, without

demonstrably high levels of benefit. For that reason we prefer the switching processes to remain based upon existing processes and at the very least changed only to an enhanced NoT model, until Ofcom is able to provide more reliable evidence as to the level of consumer detriment being suffered to justify more extensive changes. If the conclusion is that this level of harm may be proven or that a long-term harmonised process is essential, then of the options Ofcom proposes Cable&Wireless Worldwide views a GPL TxC process as being the most appropriate.

THE CURRENT PROCESS

Even with our mid-market business, we do not see enough of a problem for our customers that would lead us to believe that our current processes are not fit for purpose. In the context of the level of problems set out by Ofcom we can appreciate why it believes the current processes are not suitable going forward, but our customers do not experience this level of problems

For this reason we do not believe that the costs of implementation (e.g. £100m to industry) is justifiable in this current economic climate or indeed proportionate to the problem, particularly when it is not clear what will happen with cable, mobile and pay-TV in this area.

We believe that developing from status quo, and basing this upon Enhanced NoT, will help to keep operator costs down and enable our mid-market business to continue to drive customer acquisition; a change to an alternative model (particularly a LPL or expensive TPV process) will only serve to benefit those providers who either already have a large established customer base or can absorb the costs easily (or are able to pass them on to their customers) and these costs will be a barrier to new entry in the market and are likely to stifle innovation.

We accept that Enhanced NoT may not offer the same level of gold-plated benefits as the preferred option of TPV. It does however offer a more economically appropriate solution in the current financial climate. TPV by contrast represents a gold-plated sledgehammer to crush the kernel of what our evidence suggests is a far smaller problem than Ofcom perceives. At the very least Ofcom is proposing Cable&Wireless Worldwide spends millions of pounds addressing consumer issues, not caused by our activity, in a market in which we do not directly engage.

GAINING PROVIDER LED

As can be seen from our preferences for the switching process we strongly support the need for a GPL process. We agree with Ofcom's concerns about the LPL processes, particularly around "reactive save", but more fundamentally agree that LPL processes allow a CP with an established customer base (regardless of whether voice, broadband, mobile or pay-TV) to defend those customers at the expense of new-entrants or competitors with more niche customer interests. For these reasons and the additional cost of implementing a "real-time" process, Cable&Wireless Worldwide favours a Gaining Provider Led process.

We are unaware of any other comparable market where changing provider requires the consumer to seek the permission of their existing provider before they are able to change. It would be absurd to expect a shopper wanting to purchase in Tesco to seek the permission of Morrisons beforehand, yet changing broadband suppliers whilst on the High Street requires exactly that. In the insurance industry renewals do not require a code to be sought from the existing provider and even in the banking industry it is the bank gaining the consumer's business which liaises with the previous bank to transfer existing Direct Debits. We see no reason why the telecoms industry should be a special case.

OPTION 2A: GPL ENHANCED NOT

We see this as potentially a workable option for our business and even extending it to broadband services will have relatively low impact on our current processes, making it the most proportionate and cost effective option, although unpicking the MAC process will of course not be without cost.

This is the only option where the costs are commensurate with the evidenced level of potential harm experienced by Cable&Wireless Worldwide customers.

We also believe that it offers a useful tool for customers with multiple sites and services, particularly businesses, if the process was adopted in the business market as well as with consumers.

OPTION 2B: GPL TXC

If significant change is needed either in response to accurate consumer evidence or as part of a long-term industry-wide roadmap, then this would be our choice of the “other” options. It requires significant investment on our part, as has been captured during the SWG costing exercise and we assume this is not envisaged as being a real-time process (our costing was based on that assumption and will have been an underestimate if there is a requirement to obtain a transfer code in real time).

We also have some reservations around the use and maintenance of the data “hub”. Whilst there are obvious concerns in terms of cost of maintenance, ensuring data integrity and accuracy and protecting our customer’s privacy and data from misuse (a centralised database could, if badly managed, lead to a database useful for slamming, for example) the key issue that will need addressing is making it mandatory for operators to enter their customer details into the database in the first place, let alone keeping it up to date and accurate; furthermore we would expect it to be mandatory on those who have the relationship with the end user, rather than an obligation of the wholesale provider.

Furthermore, we are concerned that Ofcom has not sufficiently investigated how the database “hub” would work and be funded.

OUR VIEWS ON THE OTHER OPTIONS

OPTION 2C: USN

This option is essentially the same as option 2b but with added customer interaction. It’s this customer interaction that concerns us about this option’s effectiveness. We can see that this extra step (the USN) adds an additional failure point: the customer knowing what their USN is – we could see the customer not being familiar with their USN and have to go back to the LP which introduces the chances of a “reactive save”.

Whilst the USN model works well within the energy industry, (although it is questionable whether there is any measurable benefit to overall switching times) it does so in a market where there are far fewer players or services and would not work for telecoms which are much more complex. We can also foresee issues about how the USN works with multiple services on one account and are unclear how nascent services could be introduced easily into the model. What for example triggers the need to attribute a USN to a service? Furthermore, we believe, because of these various issues, this model to be unworkable in a business environment.

OPTION 2D: TPV

We conclude that industry costs in relation to consumer harm are excessive for this solution.

We also understand that in Ireland, where this scheme has been used, it hasn’t been as effective as hoped mainly because customers who are switching need the GP on the call to answer questions about what services they’re taking and they need their LP on the call to answer questions about the services they’ve currently got. This would be extremely resource intensive and therefore not a proportionate solution in a consumer let alone business scenario.

There will also be some challenges around confidentiality and the general willingness of the customer to be transferred to an “unknown entity”. They may have concerns about who the TPV are and why they have their account details and how they’re be protected from this third party using the data unlawfully.

OPTION 3A AND 3B: LPL TXC AND LPL ALTERNATIVE

As already stated, Cable&Wireless Worldwide does not consider any of the LPL options as appropriate solutions.

CONCLUSIONS

Whilst it would appear less of an issue for us as a business provider we are very concerned that Ofcom’s preferred TPV and the LPL processes favoured by large consumer CPs will not work for Cable&Wireless Worldwide, particularly if processes with consumers and business customers are to be streamlined.

We feel that Ofcom is putting an unnecessary burden on operators when the problems are not as large as Ofcom figures suggest. Whilst imperfect the current processes fundamentally work, they are simple and we urge Ofcom to keep its proposals along similar lines – the introduction of a TPV process particularly will make the process too complex and costly to be recommendable.

Our preference is to use a single enhanced NoT process. We realise that this is not favoured by Ofcom and others and so at the very least, we would not want to see anything more significant than a GPL TxC process.

Furthermore, we think that it is not right for Ofcom to single out fixed line and broadband services and that the wider concerns of consumers with switching in a multi-service, bundled world needs to be considered before any decision is made on fixed line or broadband switching.

RESPONSE TO QUESTIONS

Our main response is set out above. We have elected to answer only the questions from the consultation that aren’t addressed by our main response and where we have a particular view and feel they are relevant to our experiences.

Question 2: Are gaining providers currently able to correctly advise consumers at the point of sale on the correct switching process to follow (e.g. do agents have access to and the ability to use Dialogue Services and have access to information on which technology will be used to supply the service to the customer)? Please provide any evidence you have to support your views.

We tend to find that it can be difficult for large businesses that have multiple services; for consumers it’s less of a problem. If all bills (large business and consumer) had suitable information on them, then our sales representatives would be in a better position to be able to advise on what is involved in switching.

Question 3: Do you agree it will become more difficult for Gaining Providers to advise consumers at the point of sale on the correct switching process to follow as new technologies or new combinations of existing technologies are rolled out? Please provide any evidence you have to support your views.

This is very much, two of the points we make in our main response:

1. If the process is kept simple and straightforward then it will be future proof. We don't feel that the TPV proposal, for example, is simple enough to be future proof.
2. We don't feel that Ofcom is considering the bigger picture enough. The remit of this consultation (fixed line and broadband services) is too narrow.

Question 4: Do you agree there is lack of competitive neutrality from having multiple processes? Please provide any evidence you have to support your views.

We agree with Ofcom's views.

Question 5: Do you agree with our assessment of Problem 1: Multiple switching processes? If not, please explain why you disagree

We can see that the problems Ofcom has identified have an impact on the switching experience of consumers. That said, we are not experiencing the levels of problems that would justify anything more than requiring minor improvements to the processes.

Question 6: Do you agree that the current switching processes are likely to become less reliable in the future? Please explain your answer and provide any evidence you have to support your views.

The problems set out in the consultation show the complexity of the problems but the actual overall picture is not helped by Ofcom only limiting its current consultation to fixed and broadband services. Whilst in principle the current systems are not likely to become more unreliable, problems are likely to increase when consumers are tied into multiple services under one contract. Furthermore, it is important that Ofcom considers how future and other products will be controlled in terms of switching.

Question 7: Do you agree with our assessment of Problem 2: Back end system deficiencies? If not, please state why you disagree.

Certainly from what we have seen, problems (which have been minimal) have been generally erroneous transfers. We can see as products get more sophisticated and services are bundled together the chances are these problems will increase.

Question 9: Is there further action you think could be taken to help tackle slamming (e.g. preventative measures to stop it from occurring or enforcement activities after it has happened to act as a deterrent) under the existing processes? Please explain your answer.

Question 10: Do you think it would be more appropriate to introduce stronger upfront consumer protections within the switching process or continue with the current reliance on enforcement to tackle slamming? Please explain your answer

Question 11: Do you agree with our assessment of Problem 3: Insufficient customer consent? If not, please explain why you disagree.

As we're not seeing high incidents of slamming it is perhaps not appropriate for us to comment. That said we wonder if Ofcom has researched enough whether the consumer switching experience could be improved by future enforcement of slamming along the same lines as Ofcom enforces other areas of concern (e.g. silent calls). It is possible that the cost of carrying out this enforcement could lead to improvements in consumer switching in a much more cost effective manner than requiring industry to change its switching processes radically.

Question 12: Do you agree with our assessment of Problem 4: Lack of awareness of the implications of switching? If not, please explain why you disagree.

Yes, we have had instances where customers have been reluctant to switch to our THUS services once they found out about their early termination costs, even when THUS offered to pay for them.

Whilst further analysis would be required, it would be useful for the gaining provider and the customer to get details of ETCs and other implications of switching upfront, before the gaining provider begins processing the potential order. This lack of consumer knowledge is best tackled by requiring operators to display standard ETC information clearly on their websites?

Question 13: Do you agree with our assessment of Problem 5 Unnecessary switching costs/hassle? If not, please explain why.

We have not experienced any problems where customers have found it too much hassle to switch.

Question 15: Do you agree with our assessment that a prohibition on reactive save activity under the LPL process would be difficult to enforce effectively? Can you suggest how enforcement of a prohibition on reactive save may be made effective?

Unless customers come forward to complain, or indeed it becomes clear to the gaining provider that they have lost a sale because of reactive save activity, it will be difficult for Ofcom to identify it and therefore act.

All this said, we are not convinced that reactive save is bad for the consumer. If the consumer gets the deal they're looking for because of a reactive save then they are unlikely to see they have experienced harm – they are more likely to upset if they didn't realise they had to pay ETCs. After all savvy consumers tend to "shop around".

Question 17: Do you think strengthening record keeping obligations for consent validation would increase protection against slamming? Would this be adequate to safeguard consumers now and in the future? Please explain your answer and provide any supporting evidence.

In principle, tightening up consent validation should reduce slamming. However, it will never stop "rogue" operators attempting to push the customer into something they've not necessarily agreed to. Where the level of gain is perceived to be greater than the risk, slamming will always persist. We

note that Ofcom has made inroads into Silent Calls since being given the power to levy fines up to £2m and suggest that it is only this level of enforcement with clear financial penalties that will tackle slamming, regardless of the mechanism used. Even the preferred TPV option could be subverted were the gain to prove significant enough to a dedicated rogue salesman.

Question 19: Do you agree that Cancel Other call recording obligations should not form part of the Enhanced NoT model? What are the likely costs and benefits of introducing Cancel Other call recordings? Please provide any evidence to support your answer(s).

Costs are likely to be the biggest burden here. Whilst we would not welcome the costs associated with call recording of cancel others, it is preferable to the vastly more expensive alternatives.

Question 20: How can Ofcom best address competition concerns relating to reactive save activity through enhancements to the MAC process? What are the likely costs and benefits of such an approach? Please provide any evidence to support your answer.

Ofcom needs to look at how it can better enforce a prohibition on “reactive save”.

Question 22: Do you agree that the GP staying on the TPV call should not be a mandated part of the TPV model? Do you think there are significant benefits from the GP closing the call with the customer after the TPV conversation? Please explain your answer(s) and provide any supporting evidence.

The most significant benefit will be if the customer has questions about the new services they’re taking which the TPV won’t have the answers to.

Question 23: Are there any particular data protection and/or privacy related issues that you think would need to be considered under the GPL TxC and/or the GPL TPV options? Are these issues likely to be significantly different to the issues that need to be considered under the current processes? Please explain your answer.

The biggest challenge for Ofcom with the “hub” idea will be down to consumer expectation or wariness about their personal data being stored in central database (and accessed by a third party in the TPV model). Who will have access and could their data be stored which would be queried by law enforcement? What if the customer doesn’t consent to the use of their data in this way? What security is in place to ensure compliance with the Data Protection Act?

Ofcom will need to carry out further analysis of this option in conjunction with the Information Commissioner’s Office to ensure that such a system is possible and what aspects need to be considered.

Question 24: Are there circumstances in which you can envisage that consumers would be likely to be distressed and/or harmed by the sharing of their personal data as required under the GPL TxC and/or the GPL TPV options? Do you think that consumers will object to the sharing of their data in this way? Please explain your answer.

In our experience our customers do worry about their service data being held in a centralised database which is accessible by other businesses and as set out above we would expect them to be concerned about misuse of the data such as from using it for sales purposes or fraudulent activity.

Only recently, it will not have escaped Ofcom’s awareness, that there has been general unrest in the online community about (possibly misrepresented) government proposals to require Internet Service Providers to retain more customer information in their data retention systems.

As well as the Information Commissioner's views on the use of such a database, Ofcom will need to also consider carefully the customer reception to such a system. This has to be a priority of any "hub" related process when it comes to non-business consumers.

Question 25: Are there any particular issues that you think would need to be considered in terms of the practicalities involved in setting up the TPV body and its ongoing operation under the GPL option? Please explain your answer.

Apart from the obvious data protection points and questions around who will pay for the "hub", the other key point that doesn't appear to have been considered by Ofcom is why the model is telephone based. Our customers increasingly expect to do everything remotely online: why would they want to use a system that requires them to be transferred via telephone to a third party?

In fact we would not be surprised if a telephone based system may actually be a hindrance to the switching process, even more so if increasingly consumers are using online environments to begin the switching process – if they then have to disconnect from that online process to engage with someone over the phone, it is likely to put them off pursuing if it is seen as a hassle.

Question 28: Are you able to provide an estimate of the time it would take to make the necessary changes to your systems and processes to implement each of the options? Please explain your answer.

We believe we need at least 24 months to implement any changes although this figure could be more depending on when Ofcom publish its final statement. This is because not only will there be significant changes to internal process and systems, but also budgetary considerations will also need to be made.

Question 30: Do you agree with our assessment of the options regarding multiple switching processes? If not, please explain why you disagree.

As we have indicated elsewhere in this response we do not see any problem with making improvements to the current processes as we are not seeing the problems Ofcom is trying to address.

Question 31: Do you agree that the Options 2b (GPL TxC) and 2d (TPV) are likely in practice to deal effectively with homemove ETs? Can you foresee any problems with adopting this process for homemoves? Please explain your answer.

Given that the small number of ETs we experience are due either the customer not realising their contract obligations with their existing provider or are due to a miscommunication with the bill player (i.e. different entities within the business), we can see that Options 2b and 2d could help, provided the "hub" is able to offer all these details and the relevant providers are available to answer specific questions.

Question 33: Do you agree with our assessment of the options regarding back end processes? If not, please explain why you disagree.

Question 34: Do you agree with our assessment of the options regarding consumer consent? If not, please explain why you disagree.

Question 35: Do you agree with our assessment of the options regarding the implications of switching? If not, please explain why you disagree.

Question 36: Do you agree with our assessment of the options regarding unnecessary switching costs/hassle? If not, please explain why you disagree.

We agree that in the consumer market this may well be the case, but we are not convinced these problems are such a problem in the business (small to enterprise) market.

Question 38: Do you agree that we should discard options 1a (status quo), 1b (enhanced NoT and MAC unharmonised) and 2a (enhanced NoT harmonised) on the basis that they fail to adequately address the current and anticipated future problems? If not, please provide your reasoning.

No we don't agree (as we have already set out in the main part of this document). We believe option 2a is the more proportionate solution to today's problems as we see them; we do not believe there should be any movement beyond this point unless Ofcom has an agreed unified approach across products and services.

Question 39: Do you think that the payment of a TPV fee for each sale is likely to be a significant barrier to entry for smaller CPs? Please provide any supporting evidence.

This will really depend on how the fee is levied: per customer or per service supplied to the customer? Charging by service is likely to be far more expensive and therefore a greater barrier to entry - although obviously if either charge is too high it will represent a barrier.

With regards to BT's wholesale services we would urge Ofcom to carefully scrutinise how BT passes its costs on to its wholesale customers to ensure that it is not done in a way that distorts competition and provides an unfair advantage.

Question 40: We welcome stakeholder views on whether the additional cost of the TPV option over the GPL TxC option is justified due to the superior protection against slamming?

As we're not seeing the levels of slamming, we can't justify the additional cost. This is why we prefer an enhanced NoT process, or at the very worst a GPL TxC process.

Question 41: Do you agree with our assessment that the TPV option should be preferred to the USN option. If not, please provide your reasoning.

Whilst the USN model works well within the energy industry, it does so in a market where there are far fewer players or services and would not work for telecoms which is much more complex; that said we don't agree TPV is a proportionate solution either!

Question 43: Do you agree that the TPV is the most proportionate way to deal with the problems identified? If not, please provide your reasoning.

No. Whilst the TPV option may "tick all the boxes" in terms of the issues identified by Ofcom we don't see how the cost and the radical change in process is proportionate, particularly when we don't agree that the problems are as bad as Ofcom make them out to be.