Ofcom: Business Communications Services and SMEs Consultation

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Introduction

FCS is the industry association for companies who provide professional-grade voice and data communications services to business and public sector clients. We welcome this fresh emphasis by Ofcom on its vital role in ensuring the market can effectively meet the distinct needs of the business community. And we thank you for this opportunity to feed our members’ experiences (and those of their SME customers) into Ofcom’s ongoing work on satisfying the present and future needs of Britain’s businesses.

The vast majority of FCS members are themselves SMEs. And the vast majority of their individual business customers are also SMEs. It is a missed opportunity, in FCS's view, that Ofcom did not choose to avail itself of this long-established and specialist industry resource at an earlier stage in scoping and refining this research. FCS members have a keen interest both in the satisfaction of SME business owners with their communications connectivity, and in the quality of relationships between professional comms providers and their customers. Their businesses depend on both.

FCS talks to professional comms providers and their business customers on a regular basis, as part of our day to day activities. We simply do not recognise anything like the 85% satisfaction levels quoted in the Jigsaw research, and we caution Ofcom and Government most urgently against creating policy based upon this result without significant further work.

Having examined the research methodology and the questionnaire, it is our belief that the Jigsaw research has thrown up the correct answer to the wrong question. The important question is not: ‘are you satisfied making do with what you’ve got’? The question, surely, is: ‘are you satisfied that your current connectivity levels allow you to compete at a best-in-class level’?

The question was genuinely asked. But it was drafted and applied from the point of view of informed individuals who understand the comms market. Unfortunately, SME owners and managers do not generally enjoy this same informed understanding. And so they are answering from a fundamentally different datum point.

We only have to look at the experience of the BDUK Urban Broadband Voucher scheme to see most small businesses are not aware of the improvements in productivity, flexibility and cash-flow available to them via modern hosted IT and comms solutions. The reason they are not aware is that nobody is going to expend effort telling them unless they are likely to be in a position to take advantage of it. And they will not be in a position to take advantage of it unless they have (or can easily get) access to high speed, resilient, affordable business-grade connectivity.

Thus those businesses who have only adequate levels of connectivity and no prospect of any improvement in the future are unlikely to see the bigger picture. They are likely to pronounce themselves satisfied with what they’ve got simply because they have never been given sight of an alternative. To use an extreme example, if they have never looked to the internet to deliver anything more than e-mails, then their satisfaction benchmark will only reflect the regularity with which e-mails arrive and depart.

By way of broadening the universe of inputs and testing the Jigsaw results, FCS worked with the Trade Association Forum to undertake some research of our own during December 2014. This was a small sample of SME organizations, serving many varied industries and located throughout the UK, but all having certain characteristics in common:
• All trade associations need to communicate regularly and effectively with their members.
• All trade associations depend upon demonstrating good stewardship and efficient use of their members’ money.
• All trade associations have SME companies forming the majority of their membership, so they are intimately close to the realities of SME business owners/managers.

We asked our (small) sample to agree/disagree with a series of high-level statements about their business connectivity. 80% of them expressed themselves dissatisfied with their current levels of connectivity. But nearly 70% said they were used to work-arounds and making do. [See Chart 1]

This suggests that even informed clients are reconciled to making do with what they’ve got. Not because they are unaware of better alternatives, but because they are offered no realistic choice. Most trade associations regard comms as sufficiently important to categorise it as a board-level concern. But unsurprisingly, in a people-dependent service industry where staff churn is well below national norms, few would be willing to relocate just to enjoy improved connectivity. So like many SME businesses, they simply make do with what is available.

**Chart 1: Thinking about your 'ideal' solution, which of the following statements best reflect your company's position?**

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly agree</th>
<th>Agree</th>
<th>No strong view</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>We're fully satisfied with what we've got</td>
<td>5.00%</td>
<td>10.00%</td>
<td>5.00%</td>
<td>55.00%</td>
<td>25.00%</td>
<td>60</td>
</tr>
<tr>
<td>We're used to work-arounds and making do</td>
<td>16.95%</td>
<td>52.54%</td>
<td>15.25%</td>
<td>10.17%</td>
<td>5.08%</td>
<td>59</td>
</tr>
<tr>
<td>Comms is integral to our strategic plans</td>
<td>39.66%</td>
<td>43.10%</td>
<td>10.34%</td>
<td>0.00%</td>
<td>6.90%</td>
<td>58</td>
</tr>
<tr>
<td>Comms is a board-level issue for us</td>
<td>26.32%</td>
<td>31.58%</td>
<td>28.07%</td>
<td>10.53%</td>
<td>3.51%</td>
<td>57</td>
</tr>
<tr>
<td>We would consider relocating for better comms</td>
<td>5.17%</td>
<td>12.07%</td>
<td>22.41%</td>
<td>46.55%</td>
<td>13.79%</td>
<td>58</td>
</tr>
<tr>
<td>We regularly put our comms out to tender</td>
<td>1.79%</td>
<td>12.50%</td>
<td>33.93%</td>
<td>44.64%</td>
<td>7.14%</td>
<td>56</td>
</tr>
<tr>
<td>Government should improve the infrastructure</td>
<td>52.54%</td>
<td>30.51%</td>
<td>10.17%</td>
<td>3.39%</td>
<td>3.39%</td>
<td>59</td>
</tr>
</tbody>
</table>

Trade Associations would like to see government taking a lead to improve choice and variety. Comments on this deliberately broad, catch-all question included:

• Fast fibre broadband not being available in areas of central London is ridiculous.
• We want to be sure we’re always on-line and connected.
I do not think that it is truly something that the government should be dealing with. Much of our issues lie with the services directly provided by the telecoms companies.

Not sure if Government should improve the infrastructure but the suppliers definitely should. There too many other factors which prevent us moving to a better area for communications, otherwise we would.

We have several sites nationally and only one of them gets the advertised broadband access we pay for. It is also clear across sites that any business in the countryside is disadvantaged by poor access to fast broadband. The other issue for broadband is that reliability varies between sites and it is pretty obvious this is due to the infrastructure/phone connection and not our equipment. On the whole, within urban areas, it appears that areas where broadband uptake is highest have the better infrastructure. It certainly is not a level playing field. The government should invest to ensure the providers improve speeds and reliability since it would save the country billions whilst also improving the environment through less business miles travelled.

We are in the heart of the City of London and both decent broadband and mobile voice signal are dire!

I do not think it is up to government to improve infrastructure which is now privatised. However they SHOULD REGULATE EFFECTIVELY to cover the ridiculous chaos surrounding unbundling. Business needs a reliable and progressively integrated comms service and a set of contractors who have standardised contracts and duties which can deliver it.

These are sentiments which FCS would certainly recognize from our own members’ feedback, and from discussions we have undertaken with informed small business owners and local government.

We also asked trade association managers what their and their members’ biggest concerns are about the future availability of business-grade communications infrastructure. Interestingly, fear of competition did not appear as a major concern for many associations – no doubt reflecting the ongoing consolidation within the sector, and the comparative lack of competition between associations. A significant minority felt they no longer needed conventional fixed lines at all, believing their business needs could be met entirely by mobile telephony or wi-fi.

Business resilience, though, was a major concern. As was the need to trade on-line (64% saying it was a necessity). The price of upgrading to a high-speed service, though, is viewed as prohibitive by 70% of respondents.

This bears out anecdotal research elsewhere (again, for example, the BDUK Urban Broadband Voucher scheme). It suggests Ofcom could usefully and urgently concentrate resource on creating far greater competition at the wholesale and infrastructure level. And in identifying a competitive market offering for business connectivity which sits between domestic-grade broadband like BT’s typical Fibre To The Cabinet (FTTC) offer and high-connectivity high-cost leased Ethernet lines. For most SME businesses, these are the only two alternatives on offer. [see Chart 2]

Chart 2: What are your biggest concerns are about the future availability of business-grade communications infrastructure?

<table>
<thead>
<tr>
<th>Strongly agree</th>
<th>Agree</th>
<th>No strong view</th>
<th>Disagree</th>
<th>Strongly disagree</th>
<th>Total Respondents</th>
</tr>
</thead>
</table>


Again, the catch-all opportunities for trade associations to comment on the role of Government and Local Authorities in creating a business-friendly environment reflect a high level of frustration at the lack of choice and the long lead-times which are felt at local business level. It beggars belief for most business people, used to trading in competitive environments, that something as vital to modern day business as communications is still essentially a monopoly at the network level. They have no shortage of potential Comms Providers. But none of these CPs is able to offer a genuine choice, because all of them are constrained at the wholesale level by the state of the local network, which is beyond their control.

The respondents’ anecdotal responses to the Chart 2 questions include:

- The internet is essential, and when it goes down we are blind as a Company.
• GU34 5RX in Hampshire has no usable broadband service from any provider and it has affected our business negatively. We work around it and carry out a lot of work from home where the service is better. Mobile coverage has too many black spots and seriously affects business communication.

• Poor phone infrastructure affects connectivity and speed

• Rural and some urban areas infrastructure needs to improve particularly if the government has any serious wish to decrease the north south divide or encourage business in rural areas or working from home. I often travel in to work to use my computer because the broadband speed goes from 150Kb download 50kb upload to around 10mb for both. One task I regularly carry out takes three days from home and literally three hours from work. Other issue is mobile connectivity in the countryside which has improved but there is still significant need to improve.

• Our actual broadband speed was halved when BT closed and sold off our local exchange and rerouted lines elsewhere. This was done without any warning or notice and we apparently have no redress or right of complaint. We are now being forced to consider more expensive alternatives (eg leased line) to achieve an acceptable level of service. And we are located in Central London!

• While Peterborough Council are implementing a giga network for businesses in the city very little attention has been given to businesses real requirements and have just assumed that everyone will want a gigabit internet connection.

• Government needs to be engaged across all areas not just capital cities to ensure connectivity is priced at a level that business can afford - this is particularly relevant in rural areas.

• We are based in a rural area (Shropshire) which has inadequate reliable mobile signal and inadequate broadband especially in the countryside. This makes working at home problematic and travelling around the county, we often find we are without mobile signal. I do feel very strongly that there needs to be a major (and quick) uplift in mobile speeds and reliability as this is where the future of business comms lies - always on, always available, location and device independent. The current roll-out of superfast broadband is improving the speeds of those who already have workable speeds, and leaving behind many isolated homes who have unreliable or slow broadband connection. My business is software and web development and working from home is not really possible for any of us - our office has fast broadband and so we tend to go in to work to use this.

• We are in Cumbria. LA7 post code. We pay about £10k a year for a lousy slow service. And we get regular power cuts!

• Staffordshire and Shropshire local authorities are supposedly investing millions in broadband for rural areas, but information is difficult to come by.

• The home is vitally important. We have ‘home’ workers. More and more staff connect at home. The broadband in people’s homes is rubbish. The Government needs to pull its finger out and meet its promises about broadband connections to every home! That is more of a priority for us.

FCS hopes the above reflections are helpful in informing Ofcom’s interpretation of the Jigsaw research, and looks forward to discussing them further in the months ahead.
Answers to Ofcom’s Questions

To turn now to the specific questions in the consultation:

**Question 1:** What are the communications needs of SMEs and how may these differ by: business size, sector and business model, location, other relevant factors?

SMEs are no different from businesses of any other size: they each require a bundle of services (premises, accountancy, logistics, communications, waste management...) to enable them to trade. Their benchmark in determining the optimal level and price for those services is the need to be able to compete in their chosen market places. They may choose to compete head-on with multi-national competitors; they may choose to open up a unique niche; they may choose any of a number of other market positions. Their needs to communicate are dictated by their customers’ expectations, their competitors’ activities, their suppliers’ constraints and their staff and directors’ competence.

To understand SMEs’ communications needs, it is necessary to first understand SMEs. For business people, comms is not an end in itself. Comms is just one of a bundle of services they need to do their job. Unless they are in business as comms or IT specialists, comms is also an esoteric, frustrating utility. They need to have it, but they can’t understand why it’s so much more difficult to get what they need than it is to obtain a three-phase supply from their electricity company, arrange an invoice factoring arrangement from their bank or agree waste treatment and discharge levels with their water company.

SMEs do not want inferior services to enterprise-level businesses. What they want is choice. If they need to compete with competitors’ on-line trading offers, they want to be able to switch on the necessary enhanced levels of connectivity quickly, without disruption and at a known cost. And if they only need to make phone calls and send and receive occasional e-mails, they do not expect to have to pay a premium for the privilege.

The above needs are empirical, in the very nature of running a business. The need to be able to switch on high-grade connectivity quickly should it be necessary for the needs of the business is not a function of business size, trading sector or geographic location. Companies locate in various geographic areas for all kinds of reasons. They expect (naively, in the case of comms) to be able to switch on a similar level of utilities wherever they trade. From a business owner’s point of view, the toilet still flushes irrespective of whether it empties to a septic tank or a main sewer. The heating still works the same irrespective of whether it’s fuelled by bottled gas, solar collectors or mains electricity. Whether or not the comms is provided by copper, fibre, wi-fi, radio or satellite, they feel entitled to expect a similar pay-for-what-you-use model to other utility products.

**Question 2:** How do the needs of SMEs for communications services differ from (a) residential consumers and (b) large enterprises?

(a) Residential consumers have been the key target of all the broadband upgrade work so far. Partly because the big commercial driver is the ability to offer triple-play or quad-play bundles; partly because the consumer’s need is predominantly for fast download speeds for streaming, and this suits the technological shortcomings of the incumbent copper network. Thus BT has been able to exceed its fibre roll-out targets without the cost of future-proofing the vital last link in the infrastructure chain, from the cabinet to the premises.

Business customers are far more likely to need symmetrical upload/download connectivity than consumers. Indeed, in many cases, upload speeds are far more critical for business needs. They also need far greater certainty of ‘always on’ resilience. The inability to watch Coronation Street on catch-up is an inconvenience for a consumer. The inability to operate a VoIP-based call centre or accept on-line orders is a disaster for a business.
At an operational level, there is no distinction between the needs of small companies and the needs of huge companies. Many SMEs run national sales forces, deal with international clients or subsidiaries, operate bustling call centres or send complicated multi-megabyte data packets to clients or suppliers. The issue is simply one of scale and volume, rather than of need or complexity. For players at the enterprise level, the ability to run cloud-based best-in-class applications on a pay-as-you-go basis is easier to cost-justify. The volume of users, the attractions of an op-ex rather than cap-ex model, the scale economies and the need for agile deployment and consistent internal systems across time-zones all drive CIOs towards cloud-based solutions. At the enterprise level, the cost differential between Fibre To The Premises (FTTP) connectivity and leased lines ceases to be material.

Most SMEs do not have full-time IT professionals on the staff. And while the arguments in favour of cloud-based/hosted IT solutions are even more compelling for organisations without significant free cash, the ability to implement them is a function of whatever connectivity happens to be available at the company’s premises. It is consistently the case that FTTC roll-out – even where subsidised by BDUK or local authority – has been to street cabinets serving residential rather than business premises.

There is no shortage of informed and professional communications providers who can help SMEs put together a package of communications functionality to suit their precise business needs. But the ability to implement such solutions has to do with the availability of high-quality, affordable connectivity. And that is usually outwith the CP’s ability to provide.

Question 3: What are the types and degree of network availability issues that affect SMEs, for example issues with specific locations or services and what is the effect of these issues on SMEs businesses?

Unfortunately, many SMEs move into new business premises without asking simple questions about the local telecoms infrastructure. As noted in the introduction, there is often an assumption that adequate connectivity will be available at any modern business premises. This is too often not the case – even in areas where the local papers have carried stories of high speed fibre connectivity. Firstly the so-called ‘high speed’ product is usually an asymmetric, consumer-grade offer, delivered by Fibre To The Cabinet (FTTC). Secondly, its availability is a function of which street cabinets have been fibre-enabled. If the customer is more than a mile from the cabinet or exchange, the technical shortcomings of delivery over the copper network mean he is unlikely to get high speed bandwidth at an affordable price.

And the cabinets serving predominantly business customers tend to have been by-passed in the BT Openreach fibre roll-out. This can create significant stress and increased costs to SMEs, as the shortcomings are usually discovered only after the lease has been signed. Rural and urban 'not spots' for connectivity of 30Mbps or greater are barriers to business growth.

Question 4: What opportunities do communications providers see in serving the SME market and how are these evolving as a result of developments in technology and infrastructure?

Good CPs (and the SME telecoms reseller channel) are consultative sales people; well able to provide quality advice and support to SMEs enabling them to adopt the most appropriate technologies for their business. The growth in cloud services and associated low-capex purchasing models for SMEs will be enhanced by improved infrastructure -- and severely restricted by a lack of it.

The convergence of voice/data and fixed/mobile technologies continues to offer opportunities for innovation and the supply of products and services which deliver significant business benefit to SMEs. The emergence of a wholesale
market for wide-area PMR in some parts of the country will enable comms providers to extend their portfolio of connectivity solutions into clients’ vehicle fleet and on-site safety and security operations.

But continued development of network infrastructure is essential for these opportunities to be realised.

**Question 5: How far does the choice, quality and price of products in the retail market meet the needs of SMEs?**

FCS members note many SME business owners have unreasonable expectations of the price of business-grade connectivity. This is in part the result of price competition in the residential broadband market and an expectation on the part of business owners that broadband for their business will be similarly cheap and ubiquitous. Many have never had to rely upon their home broadband service for anything more than ad-hoc streaming and gaming, so are not equipped with any detailed understanding of the reliability and resilience levels appropriate for business use.

Research by the Federation of Small Businesses in 2014 bears out FCS members’ comments that the choice, quality and price of available business-grade connectivity solutions is circumscribed by a lack of competition at utility level. CPs can only sell what is available. There is a lack of choice of wholesale provider, which means many SME customers have a choice of FTTC (assuming it’s available) or expensive leased Ethernet lines. FCS notes a growing market for Fibre To The Premises solutions, usually delivered by local or specialist providers of fibre infrastructure like City Fibre or Hyperoptic. This ability to buy access to shared, contended high-bandwidth connectivity resonates well with the business community, as it offers connectivity levels which may be as good as a leased line at a price significantly closer to FTTC.

Overall, connectivity products with good SLAs remain beyond the budget of most micro SMEs.

**Question 6: Are there challenges for communications providers in targeting the SME sector, and do these vary by geography, SME size and SME sector?**

The fundamental challenge is that it is impossible to sell a portfolio of state-of-the-art business communication and management tools to companies who do not have access to sufficient bandwidth to run them. Opening up the wholesale market to greater competition between suppliers of connectivity solutions is therefore an urgent priority.

The second challenge is the general lack of awareness among SME owners of what business-grade connectivity looks like, and what business-grade comms solutions can deliver in terms of enhanced productivity. Educating business people is therefore another major priority. BDUK’s resources and case studies behind the Urban Broadband Voucher scheme represent a good first step in this regard.

Given the above, CPs tend to concentrate resources on those areas where they are likely to see the greatest return. For many CPs, prospecting the SME sector is a matter of a telesales round-robin based on a very basic price-driven proposition. Largely this is because price is the first distinguishing characteristic most potential SME customers feel qualified to talk about, in a market where they are not sufficiently educated to distinguish between suppliers in terms of quality, service or value-add.

There is an additional complication for CPs in dealing with SMEs, caused by the EU directive and enshrined in the Communications Act which affords business customers employing fewer than 10 people the same legal and contract protections as members of the public. This imposes additional costs and administrative burdens on CPs who would not
otherwise normally deal with consumers at all. It also has the effect of inhibiting innovative approaches to tailoring contracts to help SMEs with cash flow, future-proofing and service or break-clause guarantees. For example, writing down the capital cost of equipment over the lifetime of a contract of more than two years’ duration.

Question 7: Are there issues facing retail providers in engaging with wholesale providers in order to offer retail products which meet the needs of SMEs?

See above. In many parts of the country, there is a paucity of wholesale suppliers. The lack of competition, and hence the lack of any opportunity to switch provider in the event of poor service, is a major source of frustration.

The many service issues between business CPs and BT Openreach are well familiar to Ofcom. Delivering retail products to meet the needs of SMEs involves two key requirements from the customer’s point of view. First, it must be installed, correctly, on the day the CP says it will be installed. Secondly, in the event of failure, it must be fixed quickly on the day the CP says it will be fixed. Feedback from SME-facing CPs suggests that BT Openreach fails to deliver these absolutely core requirements to SLA on between a quarter and a third of all their provisionings. This creates intense frustration for the end customer. Firstly because their CP is entirely at the mercy of the wholesale supplier; secondly because the customer has no escalation path direct with Openreach, and so ends up on the end of a chain of Chinese whispers.

Question 8: How far does the quality of service delivered by communications providers meet the needs of SMEs?

The benefits of higher-priced business-grade connectivity products are often not understood by SMEs until the shortcomings of cheaper residential-style services are exposed. This is not the fault of the CP, but is a matter of buyer education. The products are there - although note previous responses regarding quality/price.

Question 9: What issues face SMEs in ensuring that they have appropriate SLAs and are able to gain redress when quality of services falls below the standards expected?

See comments to Question 7. SMEs feel frustrated, disenfranchised and helpless when their CP is not able to get a definite response from BT Openreach. There is no mechanism to deliver any more than a token compensation to business owners (via their CPs) in the event of a failure to perform to SLA. Being without comms for several days has the potential to bring a sales-based organisation to its knees. Some mechanism must be found to deliver something closer to proportionate damages for loss of earnings.
Question 10: What products and service enhancements are available, at what indicative price points, to deliver on SMEs’ quality of service needs (e.g. in terms of technical product characteristics or fault resolution)?

The ‘Care Levels’ provided through Openreach for analogue and digital lines enable SMEs to select response/repair times appropriate to business priorities. Ethernet products are also well covered within standard SLAs. A gap exists within the DSL product set, and if enhanced SLAs for quality and fault resolution on DSL were provided by the Tier 1 carriers it could only benefit the SME market. However, commercial reality might be that such SLAs could not be provided at a price point which smaller SMEs would be prepared to pay.

Question 11: What information is available to SMEs to enable them to select communications services appropriate for their business needs? Please identify any additional information or measures which you consider would enhance transparency for SMEs and your reasons for this view?:

There is a general lack of understanding by SMEs of how the UK telecoms market operates, and the roles/responsibilities of the different elements and businesses within it. As noted above, many SMEs engage with CPs (and vice versa) only on the basis of price comparison. This compounds a general lack of understanding of the comms sector, inhibits discussion of tailored or value-added services and perpetuates a suspicion that comms providers are one-up from double-glazing salesmen. FCS member CPs are all required to sign a Code of Ethical Trading Practice as a condition of membership. We regard this as an important foundational differentiator, enabling SME business owners to identify the more professional and committed providers.

Question 12: What factors do SMEs take into account when they are considering changing their communications service or provider? Please identify any that you consider may deter SMEs from switching and your reasons for this view.: 

We are not convinced most business owners take a reasoned, strategic approach to switching providers. The TAF research suggests that even informed, professional and price-conscious SMEs do not regularly put their comms contracts out to competitive tender as part of a good corporate governance process. Very often it is a price-driven decision, or else a negative desire to punish a supplier they feel has not performed (even though performance may have been out of the CP’s control – see above comments re BT Openreach).

Many SME owners sign a new contract on the (correct) understanding that it is their right to move their number from one provider to another, without penalty, at any time. Only after having signed a contract with the new provider do they examine their contract with their losing provider, and discover they are liable for early termination fees. This creates lengthy and often acrimonious disputes, ‘cancel other’ sanctions and unforeseen costs and drains on executive time.

They also take into account their own previous experience, and the experiences of their peers. The TAF research confirms FCS members’ experience that a seamless and painless switch in which both fixed lines and broadband transfer simultaneously is the exception rather than the norm.
Question 13: What evidence is there of issues where bad practices by communications providers causes harm to SMEs?

There is multiple evidence that poor due diligence by SME owners before entering into contracts causes unnecessary stress and leads to disputes between telcos. There is also evidence (see above) that specious advertising claims of ubiquitous high speed connectivity in a certain geographic area leads to bitterness and disappointment among business owners, who find themselves excluded from a consumer-focused roll-out. This is doubly resented when the roll-out has been subsidised by the taxpayer.

Question 14: Are there any other issues in relation to the provision of communications services to SMEs, or SMEs' experience of these services, which you consider should be included within our assessment?

There are significant and ongoing problems with BT Openreach and the timely delivery of new services to business users. Failed engineering visits, missed appointments and delayed installations cost SMEs time and money. One FCS member, a business-only CP, cites 26% of analogue line orders, 23% of ISDN2 orders and 15% of MPF orders in the last three months of 2014 failed to meet customer required dates (all such dates being within Openreach’s standard lead times). Repair times are also failing to match up to customer expectation. This is not a new or temporary problem; there are systemic, institutional failings to be addressed.

Question 15: For any issues identified in response to any of the questions above do you have any views on how they may be resolved?

2015 marks the 10th anniversary of the Undertakings between BT and Ofcom which led to the creation of a functionally separated Access Services division of BT, now called BT Openreach. Since 2005, the market has developed dramatically, and FCS argues it is time for a root-and-branch review of whether the Undertakings have delivered what was intended and – far more importantly – whether they are the correct basis for the continued and future delivery and regulation of connectivity. As BT and Ofcom are joint signatories to the Undertakings, this review should be undertaken by a dispassionate third party. We suggest the Competition and Markets Authority should undertake the detailed review, and report to the House of Lords Parliamentary Select Committee on Culture, Media and Sport.