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# Consumer Switching: Further proposals to reform switching of mobile communications services

EE / BT response to consultation

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Non-confidential version



16 September 2016

BT Group plc ('BT'), which includes amongst other businesses, British Telecommunications Plc and EE Ltd, welcomes the opportunity to respond to Ofcom's Consumer Switching Consultation, published on 29 July 2016 (the "Consultation").

This response should be read in conjunction with EE's earlier responses to Ofcom's Consumer Switching consultation in October 2015, Ofcom's Call for Input on Consumer Switching in 2014 and Ofcom's Strategic Review of Consumer Switching in 2010 and BT's switching consultation response, dated 3 June 2016.

Our overall view, which we explain in the answers to the Ofcom questions below, is that if customers were more aware of their notice period then any harm from double paying would reduce. Promotion of notice period information by providers would be a less intrusive remedy than the one proposed by Ofcom. We would also urge Ofcom to take a holistic approach to switching and if changes are to be made to the mobile switching process then they should be aligned with other changes in the triple play switching process which Ofcom are currently consulting on.

**Question 1:** Do you agree that notice period requirements can give rise to difficulties and deterrents where consumers seek to switch? In particular, do you agree that these are likely to include: unwanted double payments, difficulties coordinating the switch, and a deterrent to consumers who might otherwise have chosen to switch?

We consider that if consumers are not aware of the existence of mobile notice periods, they could suffer harm because of double paying. If consumers are aware, they can easily align their notice period with the start of their new contract and manage the end of their old contract and the start of their new contract. We do not consider this alignment to be particularly difficult, and we do not believe that the existence of notice periods would stop consumers from switching.

**Question 2:** What is your view regarding the extent to which consumer harm might differ for consumers using the PAC process or C&R arrangements to switch?

Both the PAC and C&R process require the customer to manage the starting date of their new contract and the end of their old contract. If unaware of the existence of a notice period, double paying could happen in either process. We consider the harm related to double paying in the C&R process to be less than the harm related to double paying in the PAC process, because the consumer will still receive service under their old contract in the C&R process. In the PAC process, the losing provider is unable to continue to provide service once the consumer has ported out.

**Question 3:** Do you agree that the removal of charges for notice beyond the switching and porting date is effective in addressing the consumer difficulties and costs with switching we have identified?

We do not agree that it is difficult or costly for consumers to switch providers. As set out in our response to Ofcom's mobile switching consultation, we consider Ofcom should have included a wider range of options to address potential issues with notice periods. Since the harm related to double paying can be removed by providing consumers with information about notice periods, which allows them to manage the start date of their new contract, we are surprised Ofcom did not include this option. We consider Ofcom should have assessed the effectiveness of less intrusive information remedies and compared it against the costs and benefits of its preferred option.

We consider information remedies where providers provide information about a customer's contract end data and notice period could easily be implemented. Currently, EE customers can confirm their end of contract date at any point in their contract by either calling Customer Service or by using the My EE app. In addition, our website includes information about the notice period when our customers are looking for information on how to terminate their contract.

<http://ee.co.uk/help/accounts-billing-and-topping-up/sign-up-and-manage-your-account/my-ee-account-help/get-a-pac-code>.

All of the above measures are also in place for BT mobile customers.

We would be happy to think of ways to make the information about notice periods transparent and prominent.

**Question 4:** Do you agree with our proposal to enhance the two proposed options for switching process reforms set out in the March 2016 consultation - i.e. Automated PAC and Gaining Provider Led - with proposals to remove charges for notice beyond the switching and porting date?

As set out above, we consider Ofcom should have included a wider range of options to address any harm related to double paying and compare the different options.

EE would like to stress the importance of Ofcom taking into account wider industry developments, as set out in our response to Ofcom's switching consultation. The communications market is changing, offers are increasingly converged, and we have observed a strong increase in triple play bundles over the past few years. We set out that Ofcom should therefore adopt a holistic approach to switching, and design and implement future-proofed switching processes capable of handling all services likely to be sold as part of a bundle. If making changes to the mobile switching processes and potentially mobile notice periods, we would urge Ofcom to align any changes in these processes with potential changes in the triple play switching process Ofcom are currently consulting on.