

Slamming and switching validation processes – International Comparison

This note analyses the switching processes and experience of slamming across European countries using responses to the Body of European Regulators for Electronic Communications (BEREC) questionnaire on switching as well as additional information sought by Ofcom in respect of certain NRAs. The aim is to identify which switching processes perform particularly well/poorly in relation to slamming. Specifically, this note identifies countries with limited reported problems with slamming and countries with more significant reported slamming problems and then aims to compare the switching and validation processes used.

It is also important to note that slamming was not asked about separately in the BEREC questionnaire, but in conjunction with mis-selling. Accordingly, in undertaking this analysis, we have focussed only on those NRAs which have referenced slamming specifically in their responses to the BEREC questionnaire.

The slamming experience and validation processes are discussed by service (fixed, mobile) separately below. Internet is not discussed since slamming was not identified as a significant problem for this product other than in France.

Annex 1 contains a more detailed description of the validation process for each country discussed below.

Summary

- Slamming appears to be a greater problem in fixed line than mobile (possibly reflects need to change equipment e.g. SIM card to complete a mobile switch).
- While it is difficult to draw robust conclusions based on the information available, it appears the GPL switching processes which rely solely on the GP for validation perform less well than those where validation involves the LP or is carried out independently. There are a range of different models which appear to perform effectively in this regard, such as of the use of unique and undiscoverable¹ personal customer information (e.g. code, ID number) which is validated by the LP, gateway operator or third party. An example of this is the system in Portugal where the GP provides the consumer's ID number to the LP to validate the switch.
- In addition, validation processes which require submission of a unique customer code (as in Ireland and Italy for fixed line and UK and France for mobile) appear to perform well (although as few countries use this mechanism it is difficult to be definitive).

Fixed line

Slamming was reported as a problem in respect of fixed-line switching in 11 out of the 28 countries who responded to the BEREC questionnaire.

¹ Undiscoverable means information which would only be available to the customer. Not in Portugal case.

Countries with limited slamming problems

Portugal, Italy, Ireland², Finland all reported limited concerns with slamming. All these countries follow a GPL switching process.

To enact number portability in Portugal the GP has to validate the subscriber, and submit an electronic request to LP with an ID number e.g. ID card, Passport, Fiscal Number)³. It is recommended that the GP also sends the subscriber's name⁴ since updated registration information may lack in old subscriptions' databases. A number portability order that does not match the will of subscriber - undue portability - has also been previewed in the Regulation with monetary compensation in favour of subscriber. For CPS the validation process is arguably less robust since the GP only needs to collect information to identify the subscriber.

A key theme across the validation processes for Italy, Ireland and Finland is involvement of the LP or use of a code. In Finland the LP validates the switching request submitted by the GP. In Italy the consumer must provide a 'secret' code to the GP which is generated by the LP and communicated to the user via the customer bill. The code is then provided to the GP to validate the switch.

Ireland operates a TPV process, for sales orders processed by the phone, which works alongside a code system whereby the customer must provide the GP with their unique Consumer Reference⁵ code (printed on their bill). This code must match with the customer's name and address for the GP to process the switch (this occurs when the order is placed on a system which is operated by the incumbent). In accordance with consumer protection legislation, the customer consent must also be captured in a durable form (i.e. a form that can be produced in the event of a dispute).

Countries with more significant slamming problems

Belgium, Greece, Sweden⁶ and the UK all report slamming as a significant problem. France, Poland and Germany report slamming as a concern. All these countries use GP

² A small number of slamming issues were reported in Ireland in the past, and this has diminished further. Ireland partly attributes this to the use of TPV for sales conducted by phone and to the regulator's role in seeking evidence of authorisation on behalf of consumers who challenge that the switch was authorised.

³ The paper documentation is sent in a later stage

⁴ The validation by LP is made through the correct correspondence of three names in the complete subscriber name (for names with three or more than three names)

⁵ Defined in ComReg Decision Document D04/10; *Consumer References mean, any number, letter, code or reference (or combination of these and any variation thereof from time to time) designating, pertaining to, identifying or associated with a consumer, a consumer account(s), or service(s), which is necessary for the purposes of the consumer efficiently changing services or efficiently switching from one Authorised Person supplying Electronic Communications Services at a fixed location to another Authorised Person supplying such services. Consumer References includes, but is not limited to Universal Account Number(s) (UAN(s)), Circuit Reference Numbers (CRN(s)) or Calling Line identifier(CLI(s)).*

⁶ Sweden subsequently confirmed that this was a problem in the past rather than now.

switching processes⁷. The key theme across these countries is that they largely rely on the GP to validate the switch.

In Belgium for CPS services the incumbent performs a 'technical validity' check before completing a switch. This is a check to ensure that it is possible to switch the customer rather than ensuring consent has been granted. The customer consent (collected by the GP) does not need to be forwarded with the activation request. The LP can request the consent on an ad hoc basis. For number portability requests in Belgium the LP does have to validate the request, but the consumer consent is not provided as part of the activation request. The Belgian NRA has recently introduced an anti slamming fee and commented that this has had a positive impact on reducing slamming levels.

In Greece for transfers to full LLU the GP initially validates the switching request. For transfers to WLR the LP validates the request which includes validation of customer information.

In the UK the GP validates the request. For the order to proceed through the electronic ordering gateway, the GP is required to provide a CLI (telephone number) and valid postcode by way of validation. Without this, the order will be rejected.

Sweden appears to have lower validation as the GP only needs the consent from the consumer in order to initiate a porting procedure. No validation is required and the consent can be given by voice. Slamming first became a problem with the introduction of CPS in the market (1993). The Swedish NRA reported that slamming complaints reduced without the need for intervention. Industry-agreed guidelines for operations on how to behave in consumer relations have been established.

In Slovakia validation and authorisation are performed by the GP.

In France the switching process changed from LPL to GPL during 2007. The move from LPL to GPL was to facilitate switching and to follow the market evolution, with alternative operators beginning to play a significant role in the market (i.e. more and more consumers switching from one alternative operator to another, not only from France Telecom to alternative operators).

The GPL process is reported as working much better. Under this process the GP validates switching which involves number portability (otherwise it is C&R) and has an obligation to prove the porting request from the new customer if there are any issues. ARCEP took a decision at the end of last year in order to establish a fixed number portability process and currently pursues its work with operators.

Germany reports no specific validation processes. Although based on their response it appears to rest largely on GP validation, with an LP check when the number is ported. The consumer must also submit a written request or a written authorisation for termination so that the GP can terminate the contract with the LP. The written form requirement is to ensure that a new provider does not terminate a consumer's contract with the current provider without the consumer's request.

Poland also appears to operate a GP led validation system.

⁷ France uses a GPL process for number portability and C&R for switching without number porting.

Conclusion

Based on analysis of the available evidence here, there is evidence of countries following a GPL switching process and having limited concerns with slamming (e.g. Portugal, Italy, Ireland and Finland). This is typically the case where validation does not solely rely on the GP to validate but includes some form of validation either by the LP or through a third party. A major element within this is the use of some unique and undiscoverable⁸ personal customer information (e.g. code, ID number) to the LP, GP or gateway operator as part of the validation process. The precise configuration of the process and approach to enforcement are important - since aspects of the Greek, Belgian and UK processes do require LP/incumbent input – but these countries still have a poor record with respect to slamming. Validation which is carried out entirely/or initially by the GP appears not to offer adequate protection against slamming.

Mobile

Slamming appears to be less of a problem in mobile relative to fixed, with around 6 of the 28 countries reporting slamming as a problem in mobile. This could be because consumers need to change the SIM card in their phone to change providers, meaning that it is difficult for a consumer to change providers without their knowledge. This may be supported by the fact that some countries (e.g. Greece and Sweden) which have similar (albeit not always identical) validation processes for fixed and mobile only report slamming as a problem in fixed.

It is interesting that France reports a slamming problem in fixed but not mobile. Under the French system fixed line switching (with number portability) involves the GP validating the order. This contrasts with mobile where validation for switching with number portability involves a code process which secures the switching process and significantly reduces the risk of slamming.

Countries with limited slamming problems

Portugal, Finland, Turkey and Poland did not consider slamming was a significant problem. All these countries followed GPL switching processes. Finland and Turkey use forms of LP validation whereas Poland uses GP validation.

In Portugal, the validation process is as described above. However, because of non-identified mobile subscribers (prepaid offers), the GP has to send an ICC ID (SIM card number) to the LP for validation.

Countries with more significant slamming problems

Belgium, Germany, Slovakia and the UK reported more significant problems with slamming.

The validation processes used by these countries varies and are described above. [Note that these countries tended to re use their response on fixed line mis-selling and slamming for the mobile question].

⁸ Undiscoverable means information which would only be available to the customer.

The UK has had problems with slamming (particularly 'passing off' as a different operator) in the past (although this is not considered to be a problem currently). This is perhaps surprising since the UK operates an LPL switching process including a code. While slamming is less of a problem now (following regulation and enforcement) the lesson here may be that (dishonest) retailers intent on slamming can find ways to abuse the system, so monitoring and enforcement will always be important.

Conclusion

Based on the evidence available, the conclusions in relation to mobile are broadly similar to those for fixed line above. There is evidence of countries following a GPL switching process and having limited concerns with slamming (e.g. Portugal, France, Finland, Turkey and Poland). Again, in most cases the validation does not solely rely on the GP but includes some form of additional validation, typically by the LP. The use of some unique and undiscoverable personal customer information as part of the validation appears to be a key to success (e.g. code in France, SIM card number/ID number in Portugal). However, this is not a panacea, since the UK has reported problems with mobile slamming in the past despite having a LPL code process.

Annex 1 – Details of validation processes

Fixed

Country	Switching process	Validation process
Countries with limited slamming problems		
Portugal	GPL	<p>In the context of number portability, the GP has to validate the subscriber, namely by ID card and corresponding signature, and has to submit an electronic request to LP with ID number. In the case of a mobile subscription, the ICC ID (SIM card number) is additionally included in electronic request.</p> <p>In CPS context, subscriber consent must be explicit and may be put forward by any means, comprising sufficient information to identify him as a subscriber of direct access provider</p>
Italy	GPL	<p>Consumer must provide to the GP his own switching code containing all necessary information to start the switching procedure by the GP and to complete the process.</p> <p>In order to avoid the automatic and undesired generation code by the GP, the migration code contains also a secret code, that can be generated only by the LP.</p> <p>The switching is validated by both GP and LP by automatic procedure that includes also Telecom Italia Wholesale as defined in the <i>Agcom deliberations n.274/07/CONS</i> and <i>n.41/09/CIR</i> .</p> <p>The consumer authorization for the switching can start and be completed with a voice contact between the consumer and the GP or LP. GP needs to receive a written form subscribed by the consumer as conformation for the validity of the contract.</p>
Finland	GPL	<ol style="list-style-type: none"> 1. GP makes a written contract with the consumer. 2. GP sends the LP a request to switch. 3. LP validates or rejects the request sent by the GP.
Ireland	GPL	<p>Customers must provide the Gaining Operator with their unique Consumer Reference, which must be printed on their bill by their operator. This Consumer Reference must match with the customer's name and address in order for the Gaining Operator to be able to process the switch.</p> <p>There is no mechanism, at the point of sale, for the Gaining Provider to verify that the Consumer Reference and the name and address of the customer match. This verification occurs later on in the process when the gaining provider puts through a switch order on the Universal Gateway (UG - a system used by all operators to process the switch and managed by the incumbent's wholesale function)</p> <p>The customer's consent may be captured in various ways, but it must be durable i.e. capable of being produced to prove that the authorisation was given. This is known as the Customer Authorisation Form (CAF) This can include an internet transaction (e-CAF), voice recording (vCAF) or form with a printed signature (CAF). The only instance that the actual authorisation is carry out by a third party is when the customers autorisation is captured over the phone by TPV.</p>
Countries with more significant slamming problems		
Belgium	GPL	For all processes related to switching the Belgian Act on electronic communications requires:

		<p>- clear information on the proposed service; - consent in written form or given on a „sustainable medium“, which has to be prior to the switching and express.</p> <p>It is our understanding that a voice recording of a conversation whereby a consent is given does not comply with the requirement of a consent in written form or on a sustainable medium.</p> <p>The way these legal criteria are implemented in the Validation Process and the setup of the Validation Process differs according to the type of switching process:</p> <p>a) <u>For activation or deactivation of a Carrier Preselect Service (CPS):</u></p> <p>The GP has to adress a request to activate the CPS to the SMP operator.</p> <p>In all cases, the SMP operator performs a technical validity check of the CPS activation request (e.g. when the subscriber line is still active on the preferred CPS activation date).</p> <p>The end-user consent does not need to be transmitted together with the CPS activation request, but the SMP operator always has the right to ask this consent.</p> <p>Details of the consent form are:</p> <ul style="list-style-type: none"> - full name and address of the subscriber - his customer id regarding the fixed line subscription - the tel. number <p>The SMP operator is not necessarily the LP and the request of the GP has to be sent to the wholesale department of the SMP operator, so that the SMP operator can be seen as acting as a third party body.</p> <p>The LP is not involved at all in the switching process.</p> <p>b) <u>For the porting of a „fixed telephone number“</u></p> <p>The GP has to introduce the request to port the number („porting request“) into the Common Reference Database, which is managed by a third party body (the non-profit Organization for Number Portability in Belgium).</p> <p>The LP has to validate the porting request within a given time frame. The possible reject codes the LP can invoke are limited and are described in a detailed way. The sending of a reject code (and all other messages in the porting process) are logged and stored in the Common Reference Database.</p> <p>The end-user consent does not need to be transmitted together with the porting request.</p> <p>Details of the consent form are not established by Law or Executive Order.</p>
Greece	GPL	In the case where the wholesale transaction is full LLU, the consumer’s request

		<p>acts as an authorisation to the GP for the latter to submit the (wholesale) request to the incumbent. The request is also considered as a notice of termination for all contracts for the provision of telephone services, broadband services, CS/CPS, etc.</p> <p>The Gaining Provider is responsible for validating the consumer's data.</p> <p>The consumer's consent / authorisation is being recorded by:</p> <ul style="list-style-type: none"> (i) A written request, along with a copy of the consumer's identity card (ii) Fax, along with a copy of the consumer's identity card (iii) Electronically, with the mandatory use of electronic signature <p>In the case of WLR provision, the consumer's request is being recorded by one of the above mentioned (i-iii) ways or, additionally, by a phone call, which has to be recorded (only if the consumer agrees with the recording procedure). The validation of the consumer's request is performed by the provider responsible for providing WLR (OTE) who checks the following information:</p> <ul style="list-style-type: none"> -type of request (WLR request/ WLR additional services/ WLR Provider change etc.) -telephone number/ type of access - name, number of identity card or passport number, VAT number
UK	GPL	<p>The GP is responsible for the validation and authorisation of the customer's desire to switch services. The regulation requires them to retain records showing that there has been a positive intention by the Customer to transfer their service to them. Ofcom considers examples of records in this respect to include (but not be limited to) signed copies of contracts, either in electronic or paper form, check lists intended to confirm that the consumers agrees, and understands, what they are signing up to, copies of emails and correspondence, notes of a conversation with the Customer or the Customer's internet confirmation to buy a certain service and where, telesales are used, voice recordings.</p> <p>Also, for the order to proceed through the electronic ordering gateway, the Gaining CP is required to provide a CLI (telephone number) and valid postcode by way of validation. Without this, the order will not progress and will be rejected.</p>
France	GPL for NP, C&R otherwise	<p><u>Switching with number portability:</u> The gaining provider performs the validation and authorisation process</p> <p><u>Switching without number portability:</u> The consumer request the losing provider under as stipulated in the contract (for example: registered mail with acknowledgement pf receipt)</p>
Germany	GPL	<ul style="list-style-type: none"> - There is no specific validation process by which the consumer, and the consumer's request to switch, are validated - the gaining provider only checks the consumer's request to switch for legal force under the BGB (general terms and conditions) and his customary procedures upon request acceptance - when the GP orders the number porting at the LP, the LP check the identity of the customer data - the losing and gaining provider must cooperate to arrange the date of switching - under § 312f of the BGB (new), the consumer must submit a written request for termination or a written authorisation for termination so that the gaining provider can terminate the contract with the losing provider - the written form requirement is to ensure that a new provider does not terminate a consumer's contract with the current provider without the consumer's

		request.
Sweden	GPL	The gaining provider only needs the consent from the consumer in order to initiate a porting procedure. No validation is required. The consent can be given by voice.
Poland	GPL	<p><u>At the beginning it must be underlined that Application submitted without required appendixes is not examined and GP informs immediately subscriber in written form about the reason.</u></p> <p><u>1) Application</u></p> <p>The Application should include:</p> <ol style="list-style-type: none"> 1) in case of subscribers and end users who are natural persons: <ol style="list-style-type: none"> a) first and last name; b) special unique national number of natural person (PESEL number – Polish Resident Identification Number), in case of person who doesn't have such a number: name and number of identity document; c) forwarding address; 2) in case of subscribers and end users who are not natural persons: <ol style="list-style-type: none"> a) name; b) special unique identification number of entity; c) seat and forwarding address; 3) assigned number and in case of subscribers being a party to an agreement with a service provider which provides connection to public fixed telephone network, also an address of a network termination point 4) property address to which number will be port – in case of subscribers being a party to an agreement with a service provider which provides connection to public fixed telephone network 5) telephone numbers or number/s of agreement for the provision of publicly available telecommunications services with LP – in case of porting more than one number; 6) proposed time of porting the number - in case of end users; 7) method of receiving information about beginning of providing services by GP (chosen by subscriber or end user): <ol style="list-style-type: none"> a) by phone b) SMS or c) e-mail. <p><u>2) Declaration</u></p> <p>To above indicated Application, subscriber and end user adds declaration – specified in the Ordinance. Subscriber and end users state that they are aware of consequences, including financial consequences, which result from terminating an agreement for the provision of publicly available telecommunications services with LP before indicated period. At the same time they state that these consequences will not charge upon GP, especially obligation to return equivalent (indicated in agreement). Moreover they indicate the method of porting the number:</p> <ol style="list-style-type: none"> 1) with observing the period of notice laid down in an agreement with LP or 2) without observing the period of notice laid down in an agreement with LP. <p>In such case they have to declare, that they are aware of obligation to pay LP amount not exceeding subscription fee for the noticed period.</p> <p><u>3) Power of attorney</u></p>

		<p>Power of attorney that grants GP the right to settle all actions necessary to port the number, especially to terminate an agreement with LP is given by subscriber and end user in written form, otherwise invalid.</p> <p>Power of attorney is obligatory, when porting the number refers to :</p> <p>a) subscriber who wants to port his number without observing the period of notice laid down in an agreement with LP, b) end user.</p> <p>In case of not giving GP power of attorney, subscriber and end user have to terminate their contract with LP personally.</p>
Slovakia	GPL	<p>The validation of order for switching is done with GP by customer personally. The consumer's consent is authorized by written signature and the validation and authorisation is performed by the GP</p>

Mobile

Country	Switching process	Validation process
Countries with limited slamming problems		
France	GPL (with NP), otherwise C&R	<p><u>Switching with number portability:</u></p> <ul style="list-style-type: none"> - The consumer gets his/her personal identification code ("RIO") from an open voice server - The gaining provider performs the validation and authorisation process <p><u>Switching without number portability:</u> The consumer request the losing provider as stipulated in the contract (for example: registered mail with acknowledgement pf receipt)</p>
Poland	GPL	As fixed
Turkey	GPL	<ul style="list-style-type: none"> - Gaining Provider (recipient operator) oriented process -one stop shopping- is used in number portability. Customer fill in the application form by applying only to GP for porting request. If the national identification number of the consumer exists in the LP records, it is enough to check that this number is right or not, but if this number does not exist in the LP records, then the LP is obliged to check other information such as name, surname, father's name and date of birth of consumer. -written signature -LP
Finland	GPL	As fixed
Countries with more significant slamming problems		
Belgium	GPL	As fixed
Germany	GPL	As fixed
Slovakia	GPL	As fixed