



Making switching easier and more reliable for consumers

Proposals to reform landline, broadband and pay TV switching between different platforms

A summary of proposals for better processes

Consultation

Publication date: 4 August 2016

Closing date for responses: 21 October 2016

About this document

It is important for consumers to be able to switch providers easily and reliably so that they can exercise their choice of provider and take advantage of competition in the communications sector.

In this summary document, we outline our provisional view on the difficulties consumers have when they switch, or consider switching, one or more triple play services (landline, fixed broadband and pay TV) between Openreach, KCOM, Virgin cable and Sky satellite platforms, as well as options to reform the processes for switching these services. It takes into account evidence we have gathered from consumer research, complaints and stakeholders

For the full consultation document, please visit:

<http://stakeholders.ofcom.org.uk/binaries/consultations/making-switching-easier/summary/condoc.pdf>.

We invite comments on our proposals from all interested parties.

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Introduction

It is important that consumers are able to switch providers easily and reliably.

Not only should this help ensure they get the best from their communications services, it's also good for competition. It encourages providers to offer better services at lower prices.

A number of measures have been taken in recent years to improve switching, but problems can still occur if the providers you're moving between don't use the same platform (for example, if the switch is between a provider on the Openreach, Virgin cable and Sky satellite TV platforms).

That's because when you want to switch one or more of your landline, broadband and pay TV services between platforms – a process we call cross-platform switching - you have to co-ordinate the move yourself.

Too often people can run into problems during this process – including suffering loss of service or having to pay two providers at the same time - while others are put off switching altogether because they're worried something will go wrong.

Below we set out our proposed options to create an easier and more reliable switching process for cross-platform switchers and would-be switchers. We welcome any views on them.

The current process

Although each year there are approximately 884,000 switches between the main platforms (Openreach, Virgin cable and Sky satellite), there is currently no regulated switching process to help consumers do this.

So if you want to move one or more of your landline, broadband and pay TV services between platforms, you have to manage all aspects of the switch yourself.

You have to contact your existing provider to cancel your current contract - most often by phone although some providers do offer email, webchat or post options. You also need to arrange the start of your new service(s) with the new provider. We call this process 'cease and re-provide'.

According to our research, most (81%) cross-platform switchers initially said it was easy. However, when prompted, 79%¹ told us that they had run into some kind of problem, ranging from loss of service to having to pay for two services at once.

We also found that 79% of consumers who had considered switching but decided against it were put off by concerns about these kinds of issues.

¹ 42% said they had experienced at least one *major* difficulty and 76% reported experiencing at least one *minor* difficulty – see slide 29 of the BDRC published slide pack.

The problems

Based on our research and consumer complaints, we believe the problems currently experienced by switchers, or that put consumers off from switching, fall into three main categories:

- loss of service while switching or looking to switch provider;
- double paying for services that overlap; and
- difficulty contacting previous provider / cancelling old service(s).

More generally, we found that consumers were also experiencing:

- confusion about the switching process; and
- lack of awareness about the implications of switching.

We look at each of these problems below.

Loss of service

Our research revealed a significant proportion of consumers suffered a loss of service when switching between platforms – some 17% of cross-platform switchers told us they were left without one or more of their services, on average for about a week.

Reasons for this ranged from activation/installation delays, to problems coordinating the switch, as well as issues with equipment and line faults.

We're particularly concerned about loss of service given consumers' growing reliance on their communications.

Our research also revealed that concerns about loss of service were deterring some people from switching altogether. Almost half (47%)² of consumers who decided not to switch cited worries about being left without broadband during the changeover as a factor in their decision.

Double paying

Another consequence of having to coordinate the switch yourself is that you can end up paying for two services at the same time.

One in five (22%) cross-platform switchers told us they had experienced this type of overlap, double paying for an average of two weeks. This cost them on average £22 each.

We found a number of reasons for this. Some consumers had difficulties coordinating the switch – for instance, they were unaware of notice periods or had problems arranging an engineer's appointment. Others said they chose to double pay to avoid any break in service, while some simply wanted to take advantage of a better service or deal as soon as possible. We also found confusion about how and when consumers needed to give notice more generally.

² 25% major, 22% minor. Slide 78 of BDRC published slide pack.

Concerns about double paying are also an issue for non-switchers - 40%³ of those who decided not to switch said worries about double paying were a factor in their decision.

Difficulties contacting previous provider / cancelling old service(s)

Evidence suggests that having to ring up your old provider to tell them you're leaving can be difficult for some consumers.

However, in many cases the only way cross-platform switchers can cancel is by phone. Even when providers offer alternative methods (e.g. by email or post), consumers often still have to confirm the switch by phone.

Some 38%⁴ of cross-platform switchers told us they had problems cancelling their previous service, while 23%⁵ reported issues contacting their old provider. These ranged from the length of time it took to speak to someone to having to make multiple calls to resolve a query.

A third (34%)⁶ of cross-platform switchers also said they had difficulties with their old provider trying to persuade them to stay, although others said they used the same situation to get a better deal.

Confusion

Currently there are different switching processes depending on the type of switch. This can lead to some confusion for consumers.

For example, when consumers want to switch between providers on the Openreach platform, they only need to deal with the provider they want to switch to – a process known as gaining provider led switching.

But if they want to switch between providers on different platforms, they have to follow the cease and re-provide process, as described on page 3.

Our research reveals that a quarter⁷ of all switchers have a problem understanding what they need to do to change providers. It also suggests that many people are unsure who they should contact, particularly who they should contact first.

Not knowing what to do is also putting some people off switching - a third (32%)⁸ of those actively considering a change told us this was a factor in their decision not to switch.

Lack of awareness

Evidence also suggests that consumers don't always understand the implications of switching provider.

For example, almost a quarter (23%) of cross-platform switchers told us they'd received unexpected bills/charges from their old provider.

³ 16% major, 24% minor. Slide 79 of BDRC published slide pack.

⁴ 11% major, 27% minor. Slide 24 of BDRC published slide pack.

⁵ 7% major, 16% minor. Slide 24 of BDRC published slide pack.

⁶ 11% major, 23% minor. Slide 24 of BDRC published slide pack.

⁷ 25% of cross-platform switchers. 3% major, 22% minor. Slide 22 of BDRC published slide pack.

⁸ 9% major factor, 23% minor. Slide 80 of BDRC published slide pack.

There is also some confusion about notice periods, particularly about when they began or when consumers needed to give notice. This added to difficulties co-ordinating the switching dates.

Our provisional views

The switching process should not make it unnecessarily difficult for consumers to make informed decisions and move to their chosen provider. However, our evidence shows that the current processes for cross-platform switching involve some unnecessary difficulties for a significant minority of consumers. It also deters some others from switching. In summary the key difficulties are:

- consumers currently switching across platforms can be left without a service;
- fear of being left without a service – or problems coordinating the switch – mean some consumers are double paying;
- having to contact the losing provider to cancel – and the limited ways consumers can do this – together with, at times, lengthy cancellation methods;
- confusion about the switching process; and
- lack of awareness about the implications of switching.

Our proposals

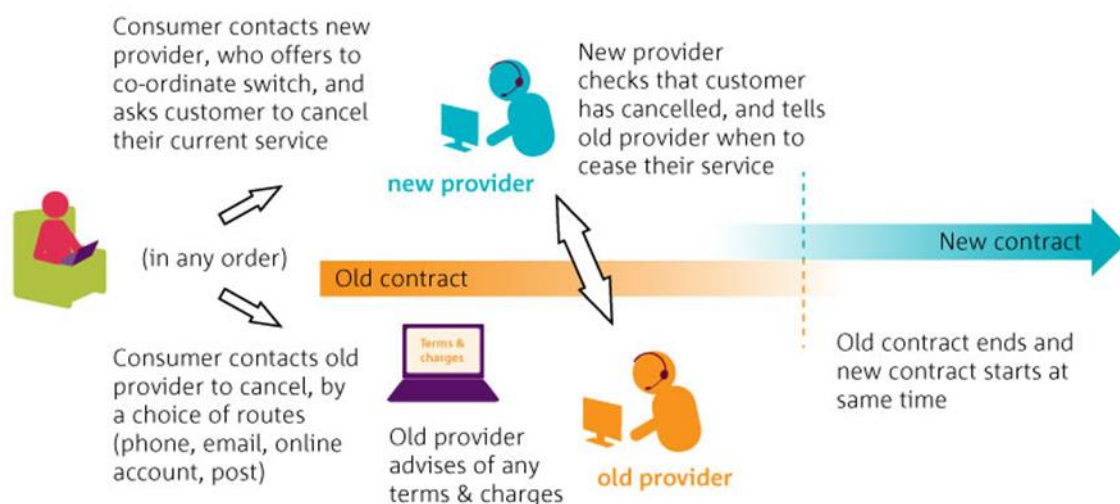
We propose two main options to improve the current arrangements and make it easier and more reliable for consumers.

Option 1: Enhanced cease and re-provide ('EC&R')

Under this proposal, consumers would still have to contact their old provider to cancel their service or services, but could do so without actually having to speak to them on the phone. The consumer would be given a choice of a wider range of cancellation channels – such as via webchat, an online account or automated phone line.

The new provider would offer to coordinate the start of the consumers new service – liaising with the old provider to ensure the old service is not switched off until the new service is active. Similarly, any notice period to be served would come to an end on the date of the actual switch, to reduce payment overlap.

Option one is illustrated below:



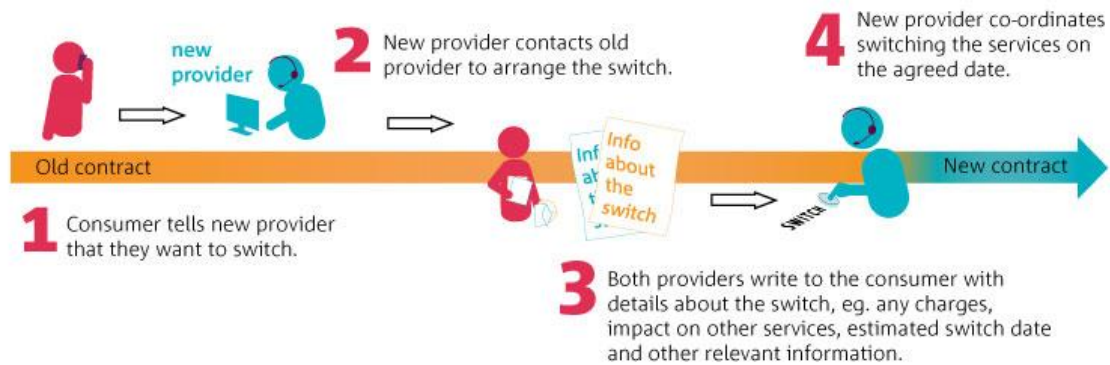
Option 2: Gaining provider led ('GPL') process

Under this proposal, the consumer would only need to deal with the provider they want to switch to. The new provider would then liaise with the old provider to arrange the switch.

The old provider would write to the consumer with details of the switch, including any outstanding contract terms or charges. The consumer would then have 10 working days to cancel the switch if they change their mind.

The new provider would manage the whole process, ensuring the old service is not switched off until the new service is active. It would also be their responsibility to keep the consumer informed of any change to original plans

The process is illustrated below:



How our proposed options would reduce the current issues

The table below summarises how Option 1 and Option 2 would reduce the issues that we have identified with the existing process.

Difficulty	Option 1: EC&R	Option 2: GPL
Confusion about how to switch	Providers would need to give consumers clear and accurate information and advice on switching. For example, consumers who visit the new provider first would be informed how they could cancel with their old provider through a range of different routes. Consumers who visit their old provider first would be told that the new provider could arrange the switch.	Providers would need to give consumers clear and accurate information and advice about how to switch. The consumer only needs to contact the new provider to switch, which is similar to the process for switching landline and broadband services between providers that both use the Openreach or KCOM platforms. We think that this process would be easier to communicate to consumers and for them to understand than Option 1 (EC&R), under which there would still be different processes depending on whether the consumer was switching between providers using different platforms or not.
Difficulties contacting old provider/ cancelling old service(s)	Consumers would have more options for cancelling their old service(s), including online accounts and automated phone services. This would give them better control of how and when they want to cancel. Providers would have to make sure that the different ways to cancel were given equal prominence in consumer communications (e.g. information on websites and letters or emails sent to consumers).	The consumer would only need to contact the new provider to switch. The new provider would be responsible for contacting the old provider to cancel the old service(s). The new provider would also tell the old provider about any change to the stop date of the old service(s). Therefore any difficulties contacting the old provider when cancelling would be removed.

<p>Implications of switching</p>	<p>Old providers would need to inform consumers about the implications of switching (e.g. whether any early termination charges and/or disconnection charges need to be paid) no matter what method the consumer used to cancel. For example, this would be presented to them before confirming they want to cancel online or would be included in the automated phone message they would receive before confirming cancellation.</p> <p>We would also require that consumers have more convenient access to switching implications through their monthly bills.</p>	<p>The old provider would send the consumer information explaining the implications of switching e.g. any early termination charges and/or disconnection charges that need to be paid.</p> <p>The consumer would therefore be able to make an informed decision about proceeding with the switch, and would still have time to cancel without any charges if they changed their mind.</p> <p>We would also require that consumers have more convenient access to switching implications through their monthly bills.</p>
<p>Loss of service</p>	<p>The new provider would offer to take responsibility for organising the stop/start of services. They would contact the old provider directly to organise the stop date. This would help reduce service loss arising from problems coordinating start/stop dates.</p> <p>The new provider would also take responsibility for any delays/ changes to the planned start date and would not send confirmation that the old service(s) can be stopped until the new service(s) were up and running. This would help reduce loss of service problems.</p>	<p>The new provider would take responsibility for organising the stop/start of services, which would help reduce service loss arising from problems coordinating start/stop dates.</p> <p>The new provider would also take responsibility for any delays/ changes to the planned start date and would not send confirmation that the consumer's old service(s) can be stopped until the new service(s) were up and running. This would help reduce loss of service problems.</p>
<p>Double paying (where a consumer pays for the old and new services at the same time)</p>	<p>Where the consumer hands over responsibility for organising the service stop/start, the consumer's notice period and switch date would align so they would only have to pay for the old service(s) up until the switch day and double paying would be reduced to up to one day.</p>	<p>The consumer's notice period and switch date would align so they would only have to pay for the old service(s) up until the switch day and double paying would be reduced to up to one day.</p>
<p>Slamming (where a provider tries</p>	<p>The risk of slamming is low for consumers when switching service(s) across platforms</p>	<p>The switch would not happen until after the transfer period, during which the consumer would have been</p>

<p>to take over a consumer's service(s) without consent).</p>	<p>because the consumer has to cancel service(s) with the old provider and the new provider cannot do this on the consumer's behalf. This would remain the case under this process so we would not expect any new risks of slamming to arise under this option.</p>	<p>informed of the switch request and provided with an opportunity to cancel the switch.</p> <p>The consumer would be informed in writing by the old provider, detailing which service(s) would be stopped and when. The consumer would also be informed in writing by the new provider, detailing precisely what service(s) would be provisioned</p> <p>The consumer's record of consent to new service(s) would be kept for 12 months by the new provider in the event of a dispute.</p>
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Communication between providers

Both of the proposed options rely on the old and new providers being able to communicate with one another and coordinate the switch. They would need a communications channel to do this.

One option is to use the communication links that already exist in the Openreach platform. Alternatively, a completely new communications channel could be developed. It could be an automated approach for large numbers of switches or manual for small numbers.

However, we don't intend to specify a particular approach and instead give industry some flexibility on implementation.

Conclusion

While many consumers find the current cross-platform switching arrangements easy, others are deterred by, or experience problems with:

- loss of service and double paying;
- contacting and cancelling services with previous suppliers; and
- understanding multiple switching processes and the implications of switching.

We believe that both options would make switching easier and more reliable for consumers.

Under both, the management of the switch would be transferred from the consumer to the new provider, ensuring a coordinated switch and reducing problems with loss of service and double paying. The options would also reduce the need for consumers to contact their old provider, as well as make accessing relevant information easier, and should help consumers make more informed decisions about switching.

Although we consider that both options would help tackle the issues that have been identified, our current preference is for Option 2 (GPL). We consider that Option 2 could provide more benefits to consumers by reducing loss of service or double paying, and better at tackling the current difficulties with cancelling contracts. We also consider that Option 2 would be less costly for providers to introduce.

A variant of Option 2 (GPL) is already used as the switching process within the Openreach platform, so we consider that it has the broader potential to reduce consumer confusion.

In summary, having examined the two options – including the cost of both - we consider that Option 2 is likely to provide significantly greater benefit to consumers. Our initial preference is therefore for Option 2: the gaining provider-led process.

Next steps

We seek views from all interested parties on the matters set out in our consultation by 21 October 2016. You can find out how to respond to our consultation at this link <http://stakeholders.ofcom.org.uk/consultations/making-switching-easier/howtorespond/>.

Following the end of the consultation period, Ofcom intends to publish a policy statement by summer 2017.