

## Organisation (if applicable):

Entanet International Ltd

### Question 1: Do you agree with our assessment of the Record of Consent Requirement?

No. You say "We also think that better record-keeping by the CPs would reduce this [slamming] problem under the GPL options." You don't explain why you think this, and at page 172 go on to heavily qualify your own suggestion by saying that a record of consent would only "'largely deal' with the problem, this would be true to a lesser extent than in the LPL options".

Slamming is less of an issue than you first thought (5.4 "our views on the prevalence of slamming and the weight that we attach to this issue have changed"), and can be either a mistake or a calculation by a CP that the gains from the practice outweigh the aggravation. Are you convinced record keeping will address either of these? What it will do is drive up operating costs for the conscientious. We also consider the burden to fall disproportionately on smaller providers who are less likely to have spare resource for an additional compliance burden.

You go so far as to say "The greatest impact is likely to be felt by smaller providers" (9.32) and the "biggest decline in slamming complaints to the CCT is in complaints against larger providers" (9.19). There are several hundred ISPs in the UK; a handful of larger providers have the majority of market share. We cannot see how the impact of these measures can fail to fall disproportionately on smaller ISPs.

The 2013 EU Connected Continent work package identifies, as does your consultation paper, that in the UK broadband connections increased in recent years while revenues decreased. The UK already has the cheapest broadband in Europe. In a market so competitive that there is concern at the European level that the sums do not add up, proposing additional costs on industry of £9m (p. 166) seems rash. Given the highly competitive nature of the UK broadband market, these costs are unlikely to be passed on to customers, meaning that small providers must bear them.

P.190 is of concern to us as we are a wholesale CP. This means that we never sell by telephone or in shops; our partners may, but they order via an interactive portal or an XML API. Referring to "for online sales, screen shots of order systems or account interactions relating to the sale in question. For example, by clicking the 'Agree' button at the bottom of a Record of Consent page, the consumer would be giving their consent to switch." seems to us to fundamentally misunderstand the nature of modern M2M sales processes. No volume business will employ someone to sit taking and filing screen shots. We already store order details in a database; will you be satisfied with a field value of "True" in answer to the online question, "Consent given?"

### Question 2: Do you agree with our assessment of the requirement for better information on the implications of switching?

You say this enhancement is principally concerned with ensuring that communications from LPs set out more specific information on the impact of terminating a service, including on ETCs.

We are concerned that the consultation appears to look at the market as it used to be – a single set of services moving from one provider to another – rather than how it now is, with multiple providers of services over a single line. The GP process expects to pass on to the consumer accurate information about the impact of switching, which depends on the losing providers (a) being contacted and (b) returning an accurate response.

Consider the scenario where a consumer has their line from one provider, their broadband, VoIP and streaming video service from three others. What are the chances of one of these providers being overlooked despite the GP's best efforts?

You call out the issue of consumers not being aware at the point of switching of early termination charges. We are aware that, driven by European directives, UK consumer contract legislation is likely to arrive next year which will reduce the minimum contract period and notice periods for consumers. Although among smaller providers 30 day contracts are common for copper broadband, considering the entire market (particularly with BT introducing 12 month minimum contracts to recoup its investment in FTTC) the norm is 12 months with an increasing trend to extend this to 18 months. This longer contract term is causing a greater incidence of consumer issues when ceasing.

We witness weekly consumer harm caused by the current FTTC position: consumers who unexpectedly have to relocate for work and want to keep service with us, yet who have to pay out their term of their current contract; customers moving from one FTTC enabled property to another who are charged the full installation fee twice being the obvious examples (it may be that BT Retail are able to absorb these costs given their economies of scale).

Switching providers without a MAC key - (LLU migrations excluded) currently triggers a cease fee from the incumbent provider. Unless this is addressed, we regard this as being perceived by consumers not as a barrier to switching as you position it - only because most consumers are unaware of or forget the fee - but rather an unwelcome surcharge after the switch has taken place, which sours the experience.

Cease fees are never well received; someone has to pay for the work at the exchange, but given current high rates of broadband penetration leading the majority of customers to be switchers rather than brand new provides, a radical approach might be to outlaw cease fees across the industry, instead rolling the cost into the provide fee, or with the CP swallowing the charge over the life of the contract – which would tend to lead to increased prices. This would remove the sting perceived by consumers of being "penalised" by the losing provider. However hard CPs work to present cease costs upfront, after multiple years of service it is unrealistic to expect consumers to remember they are there.

### **Question 3: Do you agree with our assessment of mandating use of functionality to ensure seamless transfer of bundled voice and broadband services?**

It is unfortunate that the consultation takes place before Openreach's SIM2 process has been introduced as this may positively impact the consumer perception of the switching process. If this recommendation is implemented we would urge working closely with industry so that any system changes need only be done once, rather than CPs moving to support SIM2 only to then have to amend systems again within months to support your recommendations, at increased development cost.

We agree that the benefits are unquantifiable and this is a reasonable proposal.

You note that you omit to mention the current anomaly that customers of pioneering SLU services such as the now defunct Digital Region do not have access to *any* migration process, let alone a SIM provide, and can only cease and re-provide if they wish to migrate.

#### **Question 4: Do you agree with our assessment of requirements to reduce the occurrence of ETs under the WLT process?**

Erroneous transfers are a source of great distress to consumers and 118,700 is a significant number for industry. We agree that eliminating them is an appropriate objective.

We comment below on the feasibility of timescales. Based on the author's experience of working on the government's Home Information Pack project address schema, when you say you will "work with Openreach to facilitate the clean-up of its database and ensure better quality address data" please do not underestimate the magnitude of this task. Remember: if address data were straightforward to curate, the Openreach database would not be in its current state in the first place.

#### **Question 5: Do you agree with the estimated implementation timescales of GPL NoT+ we have outlined?**

Given you identify "significant logistical challenges" and "no industry consensus", not to mention that the consultation process has taken longer than you are allowing for implementation, our gut instinct based on experience from similar systems and software projects is that the timescale is tight. How was this timescale arrived at? Did you speak with the Openreach development teams? Ultimately, their response will inform your decision making as they represent a single point of failure.

We note that the research you commissioned from Gemserv recommends (albeit for a different option) that "In order to engage with providers and other stakeholders, Ofcom should publish an Implementation Strategy that deals with the key features and expectations of the project". We endorse this and can't comment further until we see the detail of the project timescales.

#### **Question 6: Are there any other key issues that need to be taken into consideration?**

The "patchwork of processes" remains with only the Openreach network brought into these proposals; we consider the omission of cable broadband (Virgin) to be a missed opportunity. As you say at 1.9; "The existence of multiple processes is central to a number of problems experienced by consumers when switching, but the maintenance of separate processes does not in itself generate material benefits for consumers. Consumers should always be able to understand what they need to do in order to switch." Leaving out 4 million plus broadband consumers from such consumer-focussed proposals seems unfortunate.

Given that you say (1.10) "Recent Openreach data shows that around 90% of migrations currently go through the GPL NoT process", improving this process and addressing the relatively small remaining

percentage (albeit 280,000 switches per annum) must above all be a demonstrably cost-effective use of regulatory intervention.

To that end, we continue to have very grave concerns about the proportionality of creating a centralised database solution. Apart from being a single point of failure, the Data Protection implications are considerable with the inevitable risk of scope creep and privacy violations. The cost of implementation for providers – particularly smaller ones – is also a serious concern.

The drafting of the proposed changes to GC22 causes us serious concern as follows:

*“22.4 The Gaining Provider must take all reasonable steps to ensure that before entering into a contract for the provision of Communications Services, the Customer who is requesting a Communications Provider Migration:*

*(a) is authorised to do so;*

*(b) intends to enter into the contract;”*

"All reasonable" is a high bar. We fail to see how, in a distance selling context, a CP can definitively establish the person making the request is or is authorised by the current service holder. Logically this implies, first, that the losing provider will promptly and accurately provide the gaining provider with the name and address of the contract holder. Second, that the consumer will promptly reply to a letter from the gaining CP confirming that they are authorised and intend to contract, and provide evidence of their identity to confirm it (which has its own data protection challenges). Is this really what you intend? Or is the "all" just over-enthusiastic drafting?

*“and*

*(c) is provided with the information set out below in a clear, comprehensible, prominent and accurate manner, in paper or another Durable Medium which is available or accessible to the Customer or, where the Customer enters into the contract during a sales call, by telephone:”*

Printing, packing and posting letters has a significant operational and cost impact on CPs, and an environmental impact. Do you class email as a "Durable Medium"? If not, what did you intend this phrase to mean?

*“i. the identity of the legal entity the Customer is contracting with and its telephone, website and/or e-mail contact details; ii. a description of the Communications Service requested; the key charges, including minimum contract charges, and any early termination charges, if applicable; payment terms; the existence of any termination right, termination procedures and the Customer's right to cancel at no cost from the point of sale to the completion of the Transfer Period; the arrangements for provision of the service, including the order process and, as accurately as possible, the likely date of provision of the service and any minimum period of contract.”*

As it stands today, as soon as a CP orders FTTC they are liable for a 12 month contract with Openreach. You are mandating that the consumer can change their mind between ordering and the transfer at will. Unless this provision to cancel is also made enforceable against Openreach, then there is a risk that no CP other than BT would risk selling FTTC and being liable to pay a contract against which they receive no revenue, reducing competition in the market. We urge you to consider the implications of this provision.

We suggest that the same retention period be mandated under sections 22.7 and 22.8 for simplicity.

